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Daily Report

China

**FBIS-CHI-90-094
Tuesday
15 May 1990**

Daily Report

China

FBIS-CHI-90-094

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15 May 1990

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General

Editorial Views Increased International Diplomacy

HK1505090290 Hong Kong WEN WEI PO in Chinese
15 May 90 p 2

[Editorial: "China's Diplomacy Attracts Attention"]

[Text] The recent past has been a very active period for China's international exchanges, which has arrested much attention.

The first indication of this is the visits to other countries by some Chinese leaders. Following Premier Li Peng's successful visit to the Soviet Union, Chairman of the NPC Standing Committee Wan Li visited Pakistan, Iran, and Iraq. President Yang Shangkun has just started his trip to five Latin American countries, the first Chinese head of state to visit this region.

There were some prior speculations abroad about Li Peng's visit to Soviet Union as "no substantial results are expected." But this visit turned out to be a great contribution to the development of the friendly relations between the two socialist powers, China and the Soviet Union. This is there for all to see.

Wan Li's visit to Iran and Iraq was not merely a courtesy call, either. The Iran-Iraq war has just ended and a full-scale reconstruction is necessary in both countries. They are both on friendly terms with China and China may play a certain role in the reconstruction of these two countries.

That President Yang Shangkun traveled across vast oceans to the Western hemisphere is even more significant. Among the five countries to be visited, Mexico, Brazil, and Argentina are Third World powers with good experiences in economic construction. Contacts between Uruguay and China were sparse in the past, so this visit will strengthen the ties. Among South American countries, Chile is the one which started communication with China at a relatively early stage and has maintained frequent contacts. Yang's visit will help further develop the friendly relations between China and Chile.

The second indication of China's active diplomacy is the visits to China by the leaders of other countries. Recently, Mongolian, Emirian, and Egyptian heads of state and Barbadian prime minister visited China. They either came from China's neighboring country (Mongolia), or Middle East countries (United Arab Emirates and Egypt), or a Caribbean country in Central America (Barbados). Of them, Mongolia shares a long border with China and, therefore, the Mongolian President's visit to Hohhot is obviously conducive to the stability along the peaceful border between these two neighboring countries.

The United Arab Emirates is an oil producer in a strategic position in the Persian Gulf. President Zayid, an influential statesman in the Middle East, has been

administering this country for many years. That he led a large delegation on a visit to China is an indication that the friendly and cooperative relationship between China and the United Arab Emirates will definitely go on a higher rung of the ladder.

President Mubarak paid his fourth visit to China. Because China and Egypt are both ancient civilizations and Egypt has a vital place in the strategic setup in the Middle East, the mass media abroad were all interested in the Egyptian president's visit to China. His meeting with his old friend Deng Xiaoping was the climactic moment of his visit.

The third indication of China's active diplomacy is the frequent nongovernmental exchanges. Recently, news was heard about the "family get-together" (attended by delegations from all Asian Games member states or regions) connected with the Asian Games. The Sino-U.S.-USSR joint mountaineering party heroically scaled Mount Qomolangma. The brave members of the trans-Antarctic expedition from six countries received a warm welcome in Beijing. A grand international art festival is going on in Shanghai. The economic and trade observation group of the U.S. International Cooperation Administration headed by Anna Chenault was another important delegation that recently visited China. Its members were mostly overseas Taiwanese and people of Chinese origin, which has a bearing on the fact that capital from Taiwan has been streaming into China recently. Besides, visits by former presidents and prime ministers from such countries as Japan and Turkey also reflect the activeness of nongovernmental diplomacy.

To sum up, the recent active performance of Chinese diplomacy is not only the continuation of China's diplomatic policy that has consistently been held on to but also a proof that the pragmatic policy laid down, under the current international circumstances, by the decision-making authorities in China is effective. But the most fundamental point is that the efforts of the authorities to cater to popular aspiration and care about the condition of the people, the successes scored in stabilizing the overall situation, and the firm orientation in the reform and opening up have all made clear to the whole world that the important position of China is not to be overlooked. Just as President Zayid said, China is playing a decisive role in the world.

All farsighted diplomats hold that blockading and isolating China, a powerful country with a population of 1.1 billion, a tremendous all-round national strength, and numerous international friends, are nothing but short-sighted gestures and will not last long. China still has its friends all over the world. This has been borne out by the recent situation and will be further proved by what is going to happen in future.

World Mining Congress To Convene in Beijing

Preview of Congress

OW1305154190 Beijing XINHUA in English
1409 GMT 13 May 90

[Text] Beijing, May 13 (XINHUA)—The 14th World Mining Congress, which will discuss the tendency and prospects of the world mining industry, will be held between May 14 and 18 here.

Hong Ge, chairman of the China Organizing Committee for the congress, made the announcement at a press conference here today.

He said the congress and relevant exhibition on mining equipment and technology are events of the largest scale in the annals of the Chinese mining industry.

He said seven symposiums and four round-table sessions will be held in addition to a number of demonstrative discussion meetings. The congress has received 187 papers, he said.

About 3,700 delegates from 50 countries and regions will participate in the congress and the exhibition, Hong said.

Established in 1958, the World Mining Congress has 39 member states.

Chinese Premier Li Peng has written a message for the congress and exhibition—rationally develop mineral resources, put them to multipurpose use and promote science and technology for the mining industry.

Opens in Beijing

OW1405103690 Beijing XINHUA in English
0958 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—The World Mining Equipment and Technology Exhibition opened at the Beijing international exhibition center here today.

Over 300 businessmen from 99 foreign companies based in 20 countries and regions, including the United States, the Soviet Union, Britain, Poland, Canada and Hong Kong are participating in the exhibition.

In addition, nearly 1,001 participants from over 300 Chinese manufacturers, companies and organizations associated with such industries as metallurgy, geology and mineral resources, and coal, nuclear energy and non-ferrous metals will also display their products and technology at the exhibition.

Covering an area of 17,000 sq m, the five-day exhibition displays 1,500 items of mining equipment and technology.

The exhibits include various kinds of advanced equipment for mining, geological exploration and transportation, as well as mining machines and technology.

According to a spokesman for the exhibition, most of the equipment and technical know-how on show were of the advanced international level.

During the exhibition the sponsors will host 17 technical exchange conferences and business talks.

Meanwhile, China will hold "China Coal Day" May 16, when four technological exchange activities will take place featuring mining mechanization, safety equipment and expertise, and shaft ventilation.

Co-sponsored by the Chinese Organizing Committee of the 14th World Mining Congress, China Science and Technology Exchanges Center and China International Exhibition Center, the exhibition is being held in conjunction with the five-day 14th World Mining Congress here.

Li Peng Attends Opening

OW1405144090 Beijing XINHUA in English
1346 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—About 3,700 mining experts, scholars, professors and entrepreneurs from more than 50 countries and regions are meeting in Beijing to explore the future trends and prospects of the world mining industry.

At the opening ceremony of the 14th World Mining Congress in the Great Hall of the People today, Hong Ge, chairman of the congress's Chinese organizing committee, said the congress will focus on exploring ways to develop the mining industry.

Around the year 2000, he said, the mining industry of various countries will face challenges. Mineral exploration will become more difficult; low grade mineral deposits will have to be mined; greater demands will be made for better safety, health, and environmental protection; and computers and other new and high-technology equipment will be employed in the mining industry, he explained.

During the current congress, he said, quite a few of the 187 academic papers received will focus on these topics.

Chinese Premier Li Peng made a speech at the opening of the congress.

An exhibition on mining equipment and technology is being held in conjunction with the congress.

The World Mining Congress, established in 1958, is the mining industry's most influential academic organization.

Li Peng Addresses Congress

OW1405191990 Beijing XINHUA Domestic Service
in Chinese 1258 GMT 14 May 90

[By reporters Jiang Zaizhong (1203 0961 1813) and
Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 14 May (XINHUA)—In a speech to the 14th World Mining Congress today, State Council Premier Li Peng reiterated the Chinese Government's willingness to establish and develop friendly relations and cooperation with all other countries on the basis of the five principles of peaceful coexistence. China will continue to implement the reform and open policy, and the door which has been opened will never be closed. China is willing to conduct diversified economic and technological cooperation in different fields and through various channels with various countries and regions on the principle of equality and mutual benefit.

The 14th World Mining Congress opened in Beijing today. The World Mining Congress is the best known and most influential academic organization of mining in the world. The current congress is the first ever held in China and also the largest in scale since its inception in 1958.

State Council Premier Li Peng and State Councillor Song Jian attended today's opening ceremony. In his address to the congress, Premier Li Peng said: The development of human society is closely related to mining, which also is inseparable from the economic development of various countries in the world. Even given today's advanced science and technology, economic development is inconceivable without the logistic support of geology and mining. Therefore, the congress is of great significance because it brings together experts and scholars from different countries and regions who can inspire and promote each other through exchanges on technological information, experience, and the results of their research, as well as through discussion of trends in the geological and mining industry.

He said: China is a country with relatively abundant mineral resources and a long history of mineral exploitation. The Chinese Government always has attached great importance to the development, utilization, and protection of mineral resources, and has adhered to the principle of "rational development, comprehensive utilization, and promotion of the scientific and technological advances of mining." The development of the geological and mining industry has laid the foundation for the advance of China's energy, transport, metallurgical, and building material industries. However, in view of the requirements of the modernization drive, the energy, transport, and raw and semi-finished material industries are relatively weak. To ensure a sustained, stable, and coordinated economic growth and to double once again its gross national product in the next decade, China should further raise its scientific and technological level and the efficiency of its geological and mining industry.

Li Peng pointed out: China, a developing country with a population of 1.1 billion, is confronted with a difficult and arduous task in construction. To accomplish the gigantic goal of the four modernizations, China needs a peaceful international environment as well as domestic stability. Herein lies the Chinese people's vital interests.

He said: The 14th World Mining Congress and its exhibition not only provide a good chance for China's geological and mining workers to learn from their colleagues from other countries, but also plays a positive role in increasing mutual understanding and friendship and strengthening exchanges of technology, information, and experience between the geological and mining communities in various countries and regions.

A total of 187 theses have been received by the congress, in which some 2,500 representatives from more than 50 countries and regions are participating. They will exchange experiences in mining production and the results of scientific and technological research, and discuss cooperation of mining communities.

Visitor Restrictions Planned for Asian Games

HK1505033690 Beijing CHINA DAILY in English
15 May 90 p 3

[By staff reporter Kang Bing]

[Text] Chinese citizens who do not live in Beijing will be kept out of the capital during the Asian Games—unless they have a special reason for being there.

Beijing Vice-Mayor Zhang Baifa said the decision had been taken in order to ease traffic pressure.

More than a million sightseers and business people visit the capital each day and that number is likely to increase dramatically in September when people will be attending the Games.

"Special invitations will be delivered by the Beijing Asian Games Organizing Committee to each of the provinces and cities, and people holding those invitations can come to Beijing during that period," Zhang said.

"Those who have to be in the capital then will have to hold such invitations or special passes from their individual provinces and cities."

He declined to say how many invitations would be available to the local authorities.

Restricting visitors to Beijing is now new. Similar measures have been taken for traditional festivals such as the May 1 International Labour Day and the National Day on October 1.

Zhang said such restrictions were necessary to ensure a smooth flow of traffic in the city.

Although the Chinese capital is known for its wide avenues, the millions of cyclists and pedestrians who

move shoulder to shoulder along the roads inevitably slow the traffic down. The average speed of vehicles in the city is 20 kilometres per hour—just about as fast as riding a bicycle.

To ensure that the athletes can get from the Asian Games Village to any of the sports venues in town within half an hour, as the organizers have promised, a series of measures are being taken. For example, vehicles whose number plates end with an even number will be allowed out on even days and those ending with an odd number will be allowed out on the other days.

U.S. Official Views Cambodian Issue Solution

OW1405140590 Beijing XINHUA in English
1330 GMT 14 May 90

[Text] Bangkok, May 14 (XINHUA)—A senior U.S. official said here today that the United States would not support a military settlement, but a comprehensive political solution of the Cambodian issue.

U.S. Assistant Secretary of State for East Asia and Pacific Affairs Richard Solomon told a press conference that the United States supports all efforts in the peace process of seeking a comprehensive solution to the Cambodian conflict.

He said that the U.S. also supports the efforts on arranging a meeting between Samdech Norodom Sihanouk and Hen Sen in Tokyo "if it is a part of the process of bringing about the comprehensive solution, the creation of the supreme national council and involvement of the United Nations in the peace process in terms of manoeuvring the full withdrawal of Vietnamese forces, contributing to the strengthening and development of the political neutral environment for conducting elections (in Cambodia) that the UN would oversee."

Further explaining the U.S. positions on the peaceful solution of the Cambodian issue, Solomon said "We believe strongly that the search for a mechanism that would bring about a political solution that involves the UN is the best way to stabilize the situation (in Cambodia) and enable Vietnam to abandon themselves of the responsibility of trying to intervene in the internal security situation in Cambodia."

Solomon also confirmed that Vietnamese combat troops are still in Cambodia.

"According to the best information which comes from a number of sources, including statements by a number of Eastern European diplomats and most recently by Vietnamese officials themselves including its foreign minister, apparently there are at least Vietnamese military advisers operating in combat support rows [as received] and intelligence and command functions and actively participating in combat operations which are going on inside Cambodia," he said.

"Nguyen Co Thach's interview with the WASHINGTON POST about two months ago did confirm that

they (Vietnamese) are continue to provide weapons to Phnom Penh authorities and one of the time magazine correspondents also saw Vietnamese in the Phnom Penh Army uniforms in Cambodia," he said.

As to the numbers of the Vietnamese combat troops in Cambodia, "frankly we did not have a clear figure on that, but probably the number is in thousands," he added.

"The significant issue is not so much whether the number is a thousand, three thousand or ten thousand. That indicates that the Phnom Penh regime is still weak and shaky," he said.

On the issue of normalizing relations with Vietnam, Solomon said the United States will not do that until the Cambodian issue is settled.

"The U.S. Government remains firm that it will prepare to move for normalizing relations with Vietnam only after that [as received] Vietnam contributes to political settlement (of the Cambodian issue) in the framework of the UN process that we are involved now," he said.

Solomon also said that he had discussions today with Thai Prime Minister Chatchai Chunhawan and other Thai leaders on the Cambodian issue, the bilateral relations and Chatchai's upcoming visit to the United States next month.

Solomon arrived here on May 11 for a four-day visit after visiting Tokyo, Beijing and Seoul. He will also visit Vientiane, Kuala Lumpur, Singapore and Jakarta before returning to the United States.

Article Examines Changes in World Situation

OW1205200690 Beijing GUOJI WENTI YANJIU
in Chinese No 2, 13 Apr 90 pp 1-3

[Article by Wang Lin (3769 2651): "Tremendous Changes Are Taking Place in the World Situation"]

[Text] Over the past few months, tremendous changes, unprecedented in the postwar period, have occurred in the world situation. The rapidity, turbulence, and complexity of these changes are all beyond expectation, but are not without deep-rooted reasons. The difficulties faced by the Soviet Union and the changes in East Europe have broken the original Yalta pattern and East-West demarcation, resulting in a sharpened and complex situation in Europe and throughout the world. The United States is experiencing tough going, and its economic friction with Japan is increasing. The prospect of the reunification of Germany is also worrisome. While the trend of detente and dialogue will continue, there are increasing factors leading to instability and absence of tranquillity. This has intensified the contradictoriness and acuteness of the international situation.

With the rapid development of the European situation, tremendous changes, unprecedented in the postwar period, have occurred in the world situation during the

past few months. The rapidity, turbulence, and complexity of these changes are all beyond expectation, but are not without deep-rooted reasons. The main reasons are: the weakening of U.S. and Soviet economic strength, particularly the increased difficulties faced by the Soviet Union; the rapid development of the multipolarization trend and the formation of new centers of force; and the fact that the bipolar pattern and the Yalta system characterized by U.S.-Soviet contention for hegemony and the East-West demarcation formed as a result of such a pattern and system are subject to a strong impact and are being seriously shaken.

The direct primary reason, however, is the drastic changes in the situation of East European countries in the past few months. Although these changes appear quite sudden, they do have deep-rooted latent reasons. These countries were liberated by the Soviet Red Army in World War II. In socialist construction, most of them copied the Soviet pattern rather than finding an independent way suited to the actual conditions of their own countries. This has not only hampered their economic development but also hurt their people's national pride. Because of these long-existing subjective and objective reasons, the East European countries have experienced great economic difficulties and continuous political turbulence. Consequently, the broad masses of people are quite dissatisfied with their present situation and are strongly demanding reform. The Soviet "new thinking" about reform has added to the development of this situation, resulting in an acute and hard-to-control state of affairs. Western countries, headed by the United States, have naturally geared up their efforts to exploit such a good opportunity to carry out their long-meditated scheme of peaceful evolution and to vigorously exert and carry out ideological influence and infiltration. This has further aggravated the acute and complicated situation. Now, the communist and workers parties in some East European countries have changed their names or declared their dissolution, and as a result, a number of new political parties, factions, and organizations have appeared. Persons from various sides have given a dazzling display of political and economic proposals as to how to conduct the reform and what road should be taken, and they are disputing and confronting each other in this respect. Meanwhile, the turbulent political situation characterized by unpredictable changes, economic downside and stagnation, and intensified inflation has caused uneasiness in the minds of the broad masses of people. If this chaotic situation continues in the East European countries, it is hard to predict what developments will take place in the future.

Another reason is that the Soviet Union is experiencing increasing difficulties with its domestic reform, which has resulted in the self-acknowledged crisis. It will not be easy for the Soviet Union to reform its long-standing inefficient economy and the irrational industrial structure caused by the arms race. These issues cannot be resolved soon. Moreover, problems pertaining to economics, politics, nationalities, democracy, and law, and

accumulated over a long period, have gone from bad to worse, leading to intense divergence, contention, and even confrontation. The reform, which has been going on for five years, has not produced the expected results; on the contrary, it has ended up with uncompleted plans, increasing economic difficulties, serious shortages, labor unrest, worsening ethnic disputes, and the emergence of violence. Recently, the CPSU Central Committee held a plenary session in Moscow and adopted a program of actions to be raised at the 28th CPSU Congress slated for this summer. This program proposes the amendment of the article in the Constitution concerning the leading role of the CPSU, the implementation of a multiparty system and a presidential system, and the establishment of a federal system in the Soviet Union. In view of the heated internal debate during the plenary session, world opinion is that the practical implementation of this concept will not be a smooth ride for the Soviet Union, and that there will be much resistance and many obstacles. Furthermore, domestic economic difficulties and ethnic disputes cannot be solved easily, and changes in East Europe will continue to have an effect. It is likely that the internal upheaval in the Soviet Union will continue to develop.

At present, due to the breakdown in the balance of power, the situation in Europe has become more acute and complicated. Of the many issues, the one attracting the most attention is the specter of German reunification, which has cropped up in Europe and the world once again. It is generally believed that, after the general election in the GDR, the pace of German reunification will speed up. Political figures in the FRG predict that the plan for German reunification will be submitted to the European security summit scheduled to be held in November this year. After the tearing down of the Berlin Wall, the world has to accept the reality of German reunification. But because of the painful lessons of two world wars, many countries are apprehensive over this prospect, in particular the countries bordering Germany. Of late, the issue of German reunification has become a topic of utmost concern at meetings between leaders, meeting of regional organizations and international meetings, and many ideas on European peace and security have been put forward. At the recent "open sky" conference in Ottawa attended by foreign ministers from NATO and the Warsaw Pact, the foreign ministers of the Four Powers—the United States, the Soviet Union, France, and Great Britain—spelled out the so-called "Two Plus Four" plan for German reunification. The first phase of this plan calls for the two German states to begin talks on the legal, economic, and political aspects of reunification after the general election in the GDR. The second phase will be a meeting of foreign ministers from the two German states and the Four Powers to discuss "the external issues concerning German reunification, including the security issue of neighboring countries." However, this plan already has aroused dissatisfaction and criticism in many European countries even before it has taken effect. The reunification of Germany is going to have a great impact on the structure of Europe.

and the world. It is, therefore, a very sensitive and complicated issue. Due to the conflict of interests, divergence of opinion and disputes among nations will be great, and during the process there will be many diplomatic activities causing serious squabbles as well as clashes.

As for the United States, although its relations with the Soviet Union have improved and eased, and although it is pleased with the changes in East Europe, the going will not be easy. In addition to the remaining competition and confrontation with the Soviet Union, friction with Japan is growing in the economic and trade fields. Japan has continued to accumulate a huge trade surplus with the United States, and it is predicted that this surplus will increase even further during the 1990's. Although Japan has opened its market somewhat, American products still have difficulty in entering it. Japan has become the biggest creditor of the United States, and Japan's buying spree in the American market has aroused the anxiety of all social strata in the United States. According to public opinion polls conducted by U.S. publications and institutions, the American public's concern over Japanese economic expansion has surpassed its concern over the Soviet threat. U.S. political circles and the public are also debating the implementation of a "contain Japan" policy. On the other hand, the United States also feels uneasy about the speed of the FRG's economic development. That country has been the world's biggest exporting country all along, and it has recorded a huge trade surplus with the United States. Moreover, FRG overseas investment continues to increase, becoming the world's second largest creditor country after Japan last year. At present, the prospect of German reunification is viewed with awe. According to U.S. media analyses, the economies of Japan and FRG are expanding rapidly, their investments continue to increase, and the momentum of exports shows no sign of slackening. However, these conditions are not found in the United States; on the contrary, it will continue to struggle with its deficit and be haunted by the specter of economic decline. The U.S. foreign debt has reached \$500 billion and could top \$1 trillion in the future. It will take \$8-10 billion to service this debt each month. Under the protection and nurturing of the United States, the two vanquished nations of the Second World War have undergone fundamental changes to become the competitors posing the greatest threat to the United States. The leading position of the United States in the world economy has been shaken and is weakening, and is gradually being replaced by a combination comprising the United States, Japan, and the FRG. This has brought about a multi-cornered situation in world politics. It is now no longer possible for the United States, as in the past, to dictate events as it wishes.

As far as the Third World is concerned, although the trend of detente and dialogue has provided it with a peaceful environment for a rather long time, this trend has also created many conditions unfavorable to it.

Many Third World countries, especially the most underdeveloped countries, are concerned about the tremendous changes in the European situation. They feel that developed countries, while focusing on the rivalries in Europe, have reduced assistance to them. Investment by developed countries in the Third World is declining, and Third World countries are having more difficulty in exporting their primary products. Declining prices of primary products have added to the Third World countries' economic difficulties, and there is a trend of a further intensification of the difficulties. Due to the economic growth and high-technology development achieved by developed countries, the North-South gap is widening continually and bringing about a dangerous situation in which the rich are getting richer and the poor are becoming poorer. Differences and contradictions between the North and South are increasing, while there is a crying need for the establishment of a new international economic order. Serious economic difficulties and debt burdens have intensified the internal and external problems of many Third World countries and have brought turbulence to their political situation. It is feared that new conflicts may break out within and between some countries, and the old conflicts that have been alleviated may emerge again. Such being the case, the Third World countries are facing a serious test. Many of them have pointed to the need to strengthen South-South cooperation and to strive to overcome the various difficulties and continue to advance by relying on their own efforts.

It follows that the trend of international detente and dialogue will continue to develop. It is possible that the United States and the Soviet Union will sign some arms control agreements this year in the fields of strategic arms, conventional forces, and chemical weapons. U.S.-Soviet relations will continue to improve, and some regional conflicts may be further relaxed. At the same time, however, there are increasing factors leading to instability and a lack of tranquillity. These two opposite states of affairs are interwoven and affect each other, thus intensifying the contradictory nature and acuteness of the international situation. In the days to come, there will be many unpredictable changes in the world, for which we should be mentally prepared. Some old contradictions will be alleviated, while new contradictions will emerge. The original bipolar pattern is being replaced by a multipolar one, and the various forces will undergo a new realignment and regrouping. The military confrontation and arms race will deescalate to some extent, but the competition in overall national strength, especially economic, scientific, and technological competition, and the ideological struggle, in particular the struggle between evolution and counter-evolution, will become more intense. We must learn to grasp dialectics, see both sides of the matter, calmly observe the numerous changes appearing in the world, and pay attention to the various factors, both favorable and unfavorable for us. We should neither panic nor take the problems lightly. We will continue to uphold our independent and peaceful foreign policy and, together with

other countries, strive to build new international political and economic orders on the basis of peaceful coexistence. We will also keep to the basic line of "one central task and two basic points," make a success of our domestic work, and develop our economy. This will be a great contribution to world peace and security as well as to the cause of socialism.

Foreign Aid Used To Develop Power Projects

OW1105185190 Beijing XINHUA in English
0605 GMT 11 May 90

[Text] Beijing, May 11 (XINHUA)—In the past ten years, seven billion U.S. dollars in foreign funds have been used by China to develop 27 hydroelectric, thermoelectric and nuclear power projects with combined generating capacity of more than 20 million kw.

The funds were provided mainly by the World Bank, the Asian Development Bank, the Overseas Economic Cooperation Fund of Japan, the Kuwaiti Arab Foundation for Economic Development, Italy, Britain, and the United States, according to Zhang Fengxiang, chairman of the China Federation of Electric Power Enterprises.

The power projects include the Guangdong Shajiao Power Plant, Jiangsu Ligang Power Plant and Daya Bay Nuclear Power Station. Some of the projects have already been completed, according to today's overseas edition of the "PEOPLE'S DAILY."

Zhang said that in order to promote rapid national economic development, China's power industry should increase generating capacity by 10 million kw each year for the next ten years.

That means that by the year 2000, the total generating capacity of China's power industry would reach 240 million kw.

He said that China will develop its electric power industry mainly through self-reliance, but some equipment will be imported.

He added that China would like to cooperate with foreign governments and enterprises in developing its power industry.

Trans-Antarctic Explorers Visit Lanzhou

Banquet Held

OW1305105590 Beijing XINHUA in English
1411 GMT 12 May 90

[Text] Lanzhou, May 12 (XINHUA)—Five members of the international expedition which recently crossed Antarctica on foot and their nine-member entourage arrived here this afternoon by air from Beijing.

As guests of the people's government of northwest China's Gansu Province they were greeted at the airport by Wei Qingtong, deputy secretary-general of the provincial government, and other officials.

In the evening, Jia Zhijie and Zhang Xuezhong, governor and vice-governor of the province, gave a banquet for the explorers and their party.

Gansu is the place where Qin Dahe, the Chinese member of the expedition, has mainly studied and worked since 1965. Besides, the Lanzhou Institute of Glaciology and Cryopedology of the Chinese Academy of Sciences is also located in Lanzhou, capital of the province.

Other members of the team who arrived here today are Jean Louis Etienne from France, Geoff Somers from Britain, Victor Boyarskiy from the Soviet Union, and Keizo Funatsu from Japan.

Made Honorary Citizens

OW1405132190 Beijing XINHUA in English
1231 GMT 14 May 90

[Text] Lanzhou, May 14 (XINHUA)—Four members of the trans-Antarctic expeditionary team and two backup members were made honorary citizens of Lanzhou here today.

Vice-Governor Zhang Xuezhong called the expedition a "magnificent feat" as he and 1,200 Lanzhou residents welcomed the expeditionary team.

Lanzhou Mayor Ke Maosheng, on behalf of the municipal government, bestowed certificates of honorary citizenship on team members from France, the Soviet Union, Britain and Japan and two backup members from Saudi Arabia.

The six members of the expedition were Jean Louis Etienne of France, Will Steger of the United States, Victor Boyarskiy of the Soviet Union, Geoff Somers of Great Britain, Keizo Funatsu of Japan and Qin Dahe from China.

Jean Louis Etienne of France said the unity and cooperation of the members, who come from different countries and speak different languages, have set an example. He hoped the governments and people of all countries will show the same united and cooperative spirit in their contacts in the future.

Li Ziqi, party secretary of the Gansu provincial party committee, Governor Jia Zhijie and other provincial officials met with the explorers before the rally.

The explorers will leave for Beijing tomorrow.

Military Attaches Tour Guangdong, Yunnan

OW1405170690 Beijing XINHUA in English
1353 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—Military attaches and their wives from 26 embassies in China toured China's Guangdong and Yunnan Provinces from May 6 to 14 at the invitation of the Chinese Ministry of National Defense.

They visited units and institutes of the Chinese People's Liberation Army and were briefed on local economic construction by officials from Shenzhen City and Yunnan Province.

They also visited some factories and scenic spots.

United States & Canada

Reportage Continues on Xu Jiatun's U.S. Trip

XINHUA Officials Discuss

HK1305024290 Hong Kong SUNDAY STANDARD
in English 13 May 90 p 1

[By Franz Leung]

[Text] A major re-shuffle of senior staff is expected at the XINHUA NEWS AGENCY, China's de facto embassy in Hong Kong, following the mystery disappearance of former director Xu Jiatun.

"The reshuffle may mainly affect the followers of former director Xu, or those coming from Jiangsu or Zhejiang," a reliable source said last night.

Xu was formerly party secretary in Jiangsu, and exerted a powerful influence in neighbouring Zhejiang.

The XINHUA shake-up is likely to affect department heads and vice directors. Newly-appointed XINHUA director Zhou Nan called a high-level meeting on Friday night to discuss Xu Jiatun's controversial decision to "rest" in the United States. The meeting, attended by XINHUA vice-directors and department heads, and heads of Chinese commercial bodies, clarified that Xu's trip to the U.S. was not approved by Beijing. However, they were assured that Xu, 74, was not being persecuted—and has been free to travel since his retirement.

The U.S. State Department insists that Xu has neither defected, nor requested political asylum.

The pro-reformist XINHUA chief was in hiding in Los Angeles yesterday. He is with several family members, including his son, daughter-in-law and a grandson. Their exact whereabouts are unknown.

Zhou stated publicly last night that: "Xu does not have any problem." He was speaking after a formal dinner with Omelco members in Hong Kong, but refused to elaborate.

However, analysts of Xu's unexpected and unannounced departure note that he was an apologist for local XINHUA and Chinese commercial staff who joined rallies in Hong Kong after the Tiananmen Square crack-down. Because of his liberal stance, Xu was regarded in Hong Kong as one of the most popular XINHUA directors.

Reports that Xu may not return to China after a "rest" of two or three years cannot be confirmed.

After the meeting with Zhou, Senior Executive Councillor Dame Lydia Dunn was asked if Xu's disappearance had been discussed. But she said: "It was strictly a social occasion." Senior Legislative Councillor Allen Lee Peng-fei said the meeting did not touch on politics. Zhou, accompanied by XINHUA vice-directors Zheng Hua and Qiao Zonghuai, met 34 Omelco members.

Beijing Issues Statement

HK1505015390 Hong Kong HONGKONG STANDARD
in English 15 May 90 p 1

[By Fan Cheuk-wan]

[Text] Beijing has declared the sudden move by former Hong Kong XINHUA chief Xu Jiatun to the United States as an "unauthorised departure" after receiving a letter from him, according to informed Chinese sources.

A group of Chinese officials stationed in the United States had been sent to locate Mr Xu and persuade him to make an early return to the mainland, the sources said.

Mr Xu headed the Hong Kong branch of the XINHUA News Agency for six years.

Left-wing sources in the territory said Mr Xu's visit to the U.S. might be connected with Beijing's recent investigations into economic crimes of China-funded enterprises.

Informed Chinese sources said yesterday that the party's Central Committee had received a letter from Mr Xu who said he had travelled to the United States "on a trip to relax".

Mr Xu did not say whether he would return to the mainland.

Sources said Mr Xu wrote the letter in Hong Kong in April and instructed an associate to pass it to the party central in Beijing after he left for Los Angeles.

"With his notification about the trip the central authorities can't label Xu as fleeing or defecting," one Chinese official said.

Sources said the party Central Committee instructed the Hong Kong branch of XINHUA on Friday to take a moderate line in Mr Xu's case and treat it as an "unauthorised departure" instead of "defection".

In a meeting with senior XINHUA officials on Friday, Zhou Nan, director of the branch confirmed that Beijing had received a letter from Mr Xu about his trip.

He then ordered that a statement be issued which said Mr Xu "was touring and taking a rest" in the United States.

The branch also passed official notification to left-wing organisations in Hong Kong that Mr Xu had not gained approval from the central authorities before leaving for the U.S.

Leaders of left-wing organisations were asked to stick to the official line that Mr Xu "had travelled abroad without central approval", but had not defected.

Su Xiaoxun, spokesman for the Jiangsu Provincial Government, said neither the provincial party committee nor the provincial government was aware of Mr Xu's plan to visit the U.S.

"Although Mr Xu moved back to Nanjing after his retirement, he has no need to report to the Jiangsu authorities about his foreign trips. He only has to report to Beijing."

Mr Su said the Jiangsu provincial authorities had never asked Mr Xu to return his diplomatic passport.

He said the passport had been issued by Beijing not the province.

A Chinese official said the party central was anxious to contact Mr Xu and convince him to return to the mainland as soon as possible.

"If Xu decides to stay away from the country forever, it will be disastrous for the future implementation of the one country, two system policy in Hong Kong and harmful to the image of Beijing as well," the official said.

"Unless Xu openly seeks political asylum from the American government, the central authorities will not define his case as defection.

"Beijing is still hopeful that Xu will return to the mainland after its representatives can hold a meeting with him in the United States.

Persecution Viewed as Cause

HK1505022690 Hong Kong TUNG FANG JIH PAO
in Chinese 15 May 90 p 4

[Report: "'Xu Jiatun Is a Bad Guy'—Did These Words Lead Him to Flee?"]

[Text] The fleeing of the former chief of the Hong Kong Branch of XINHUA News Agency may have had something to do with the recent "appraisal" of him by the highest leadership stratum of the CPC.

It was learned that during the latter half of April, a senior elderly statesman of the CPC said: "Xu Jiatun is a bad guy." The specific implication of the words is still unknown to date.

According to sources concerned, Xu Jiatun heard about this but did not know the grounds on which the senior elderly statesman had based his view. He did not know what to expect for the future. At that time, although he was in a hopeless tangle, he was familiar with the ways

that the CPC handles matters. This may have forced him to decide to flee in order to avoid being falsely charged, given a wrong sentence, and being framed.

Furthermore, after the secret flight of Xu Jiatun, several of his former secretaries who had served him when he was chief of the Hong Kong Branch (four according to some sources) were recalled to Beijing to help in an investigation. They were asked to reveal what Xu had said to persons in industrial and commercial circles and to foreigners when Xu was working in Hong Kong. The authorities also wanted to know whether Xu had revealed any of his change in ideology in private.

'Has Run Away,' Not Defected

HK1505080290 Hong Kong AFP in English 0743 GMT
15 May 90

[By Claudia Mo]

[Text] Hong Kong, May 15 (AFP)—China's former top envoy in Hong Kong has "run away" to the United States due to strong political pressure on him in the mainland, an informed Chinese source here said Tuesday.

"Xu Jiatun hasn't defected. Let's say he has run away, and he's unlikely to come back," the source said.

Both the U.S. State Department and the U.S. Consulate here have confirmed that Mr. Xu, 75, has left for the United States via Hong Kong on a tourist visa, but would not comment on rampant speculation here over his defection.

He is believed to have made the move in late April or early May.

"It would be too risky for him to ask for political asylum amid strained Sino-U.S. relations," the Chinese source said, adding: "The fact that Xu obtained the U.S. visa here and not in Beijing tells you his departure was not authorised" by the Chinese leadership.

"The U.S. CIA (Central Intelligence Agency) would welcome Xu," the source said. "But I simply don't know whether Xu would 'sell out' his country, for after all he's been a loyal cadre who took part in the fight to win the rivers and mountains (of Mainland China) from the Nationalists" in 1949.

Mr. Xu had since 1983 been head of the official New China News Agency's (NCNA's) local branch, Beijing's de facto consulate in this British colony scheduled to return to Chinese sovereignty in 1997.

An unconfirmed report in the local mass-circulation Sing Tao daily Tuesday said that before his departure, Mr. Xu had written a letter to top Chinese leader Deng Xiaoping saying he was "tired," that he was heading for the United States "to relax" and would return "at an appropriate time."

An earlier NCNA statement here said Mr. Xu had gone to the United States "to travel."

A high-ranking member of the Chinese Communist Party, Mr. Xu was understood to have been chided by Beijing for his sympathetic attitude towards anti-Beijing protestors here amid the turmoil in China this time last year, and believed to have been forced to retire from his NCNA post in February.

Last May a tearful Mr. Xu emerged to urge a group of hunger-striking students outside the NCNA building here to go home.

That episode was widely covered in the local media and likened to a similar scene on Tiananmen Square, when the now-disgraced Chinese party chief Zhao Ziyang asked demonstrating students to end their fast.

"Xu had been a party member for 50 years. At 75 he still chose to run away—you could imagine the sort of pressure he had been under," the source said.

He said Beijing had shut down an academic squad set up by Mr. Xu in neighbouring Shenzhen for studying Sino-Hong Kong economic relations—which was to be his engagement after retirement.

"The news of Xu's departure was probably deliberately leaked in Hong Kong, Beijing and London to pave the way for Xu's permanent stay" in the United States, the source said.

"Washington could later tell Beijing it would be better for Xu to stay on in the U.S. after all this embarrassing publicity over him," he said.

A U.S. Consulate spokesman here said a U.S. tourist visa could normally be extended for at least a year, and holders can leave the country for Canada or elsewhere each time they need a new U.S. tourist visa.

In the past six years Mr. Xu had openly praised the merits of capitalism and what China could learn from it.

A Chinese dissident source here said Mr. Xu had defended himself to Beijing by saying such statements were necessary to maintain confidence in jittery Hong Kong, which is to stay capitalist for 50 years after 1997 under a Beijing promise of "one-country, two-systems."

"But those in power in Beijing obviously think Xu has gone too far," the dissident source said.

Mr. Xu is believed to be on the U.S. West Coast. Several of his children are also said to be there, although he left his wife behind in the mainland.

"Xu couldn't have left with his wife because it would be too obvious," the reliable Chinese source here said. "You see, old party cadres' feelings go beyond personal emotions."

"There's one thing in China today that's different from the days of the (1966-1976) Cultural Revolution, and

that is your crimes wouldn't be passed on to your family and relatives"—as is the case for the many dissidents who fled the country after the June 4 Beijing massacre, the source said.

Local newspaper reports were rife Tuesday that several of Mr. Xu's former proteges at the local NCNA had been summoned back to the mainland "for enquiries." An NCNA spokesman said he had no comment.

Editorial Views Trip

HK1405015190 Hong Kong SOUTH CHINA
MORNING POST in English 14 May 90 p 16

[Editorial: "Life After Xu Takes On a New Meaning"]

[Text] The former NEW CHINA NEWS AGENCY bureau chief in Hong Kong, Mr Xu Jiatun, was one of the most popular mainland officials in the territory, not only because he was affable, but also because he genuinely understood the people of the territory. His praise for capitalism and his personal friendship with supreme leader, Mr Deng Xiaoping, and the former premier and party general secretary, Mr Zhao Ziyang, helped buoy Hong Kong confidence after the signing of the Joint Declaration, though it may have militated against him in the eyes of the hardliners who have dominated the leadership since the June 4 crackdown. Consequently there has been much discussion in Hong Kong of the significance of Mr Xu's sudden departure to the United States, which stressed that it is not a case of defection from China.

As the head of the de facto Chinese embassy in Hong Kong, Mr Xu was often billed as the "shadow governor", whose every word was weighted. His endorsement of Hong Kong ways was in step with the times when China was talking about economic reform and capitalism complementing socialism. However, much of the carefully-nurtured rapport between China and Hong Kong evaporated a year ago when the people of the territory decisively supported the democratic movement on the mainland, and when members of the NCNA also joined local demonstrations. While Mr Xu was tactful throughout the turmoil in China, and reacted cautiously when the agency was besieged by thousands of emotional protesters, his stewardship of the NCNA came under critical scrutiny once the leftists regained control of the party. What finally alienated Mr Xu was refusal of the Central Government to endorse his choice of successor, with Beijing opting instead for the former Vice Foreign Minister, Mr Zhou Nan, to take his place.

Mr Xu's "rest" in Los Angeles is deeply embarrassing for the NCNA, which is beset with dissension created by the demand of the rank and file for a pay increase more generous than the 10.1 per cent on offer. The Central Government is already distrustful of the "corrupting" influences of Hong Kong and the tendency of cadres to learn to like the capitalist lifestyle. Controls could well be

tightened on NCNA officials now that it is known the former director left for the U.S. without the approval of Beijing.

Mr Xu's departure, after his request to retire to Shenzhen had been turned down, has prompted the Central Government to consider limiting the average stay of its NCNA officials to three years or shorter, presumably in case they become too fond of Hong Kong. More frequent rotation of staff, and the Central Government's worry about closer ties with the local community, may limit the NCNA's ability to come to terms with the different nature of the territory—which the mainland wants to preserve under the "one country, two systems" principle of the Joint Declaration—and undermine the principal role of the agency as a conduit between Hong Kong and China.

Even before Mr Xu's retirement, China was in a dilemma over its handling of the NCNA because of long-standing differences between its mainland and local staff, a problem that could be exacerbated as Beijing sends down more hard-line officials to preserve the purity of party thought. Recently the NCNA has become more directly involved in the politics of the territory, notably in the call by its new director Mr Zhou to pro-Beijing trade unionists to participate in next year's direct elections. By reaching out to the grassroots, as it did in the 1960s and 1970s, Beijing also reveals its suspicion of the loyalty of the Hong Kong elite because many, including local Government officials, will have full British passports.

Until the full story of Mr Xu's departure is known, innuendoes will be rife and the NCNA could remain unsettled. Mr Zhou is, however, a strong character who had already stamped his style on the agency, and Hong Kong, with a series of forthright comments. He will appreciate the importance of the agency's key role in the next seven years in building up closer relationships and better understanding between the mainland and Hong Kong. His dinner with members of the Executive and Legislative Councils last Saturday was part of that vital process, which depends on both sides listening and learning rather than lecturing.

Agricultural Chemical Venture With U.S. Begins

OW1405075790 Shanghai City Service in Mandarin
2200 GMT 30 Apr 90

[From "Morning News" program]

[Text] The Shanghai Dupont Agricultural Chemicals Co. Ltd., the first large joint venture approved by the State Administration for Industry and Commerce to be invested in and built in the Shanghai Pudong Development Zone, was established on 30 April. Shanghai Vice Mayor Zhuang Xiaotian, Vice Minister of Chemical Industry Lin Yincui and (Cook), vice governor of the Agriculture Department of the U.S. Dupont Corp. were present at the founding meeting.

The Shanghai Dupont Agricultural Chemicals Co. Ltd. is jointly operated by Shanghai Insecticide Plant, the Shanghai Municipal Insecticide Research Institute, and the U.S. Dupont China Group Co. Ltd. This is the first joint venture of the U.S. Dupont Corp. on China's mainland. It is also the first large joint venture project in China's insecticide trade. According to the plan, the construction of this joint venture project will begin in the winter of 1990, and the enterprise will start production in the spring of 1992. The paddy field weeding agent to be produced by the enterprise is a hi-tech product, successfully developed by the U.S. firm, Dupont, in the mid-1980's. The dose applied is only 1.3 grams per mu, or one-seventieth of the dose of similar insecticide.

Soviet Union

Article Views Development of Trade Relations

HK1405140490 Beijing GUOJI SHANGBAO
in Chinese 24 Apr 90 p 1

[Article by staff reporter Gu Naizhao (7357 0035 2507): "Rapid Development and Broad Prospects for Sino-Soviet Economic Relations"]

[Text] Premier Li Peng's four-day official visit to the Soviet Union which commenced on 23 April is a major step in the further development of bilateral ties between the two countries since the normalization of Sino-Soviet relations last May. The visit will inject new vitality into Sino-Soviet economic and trade relations, which are already developing in a continuous and stable manner.

There has been continuous and stable development in Sino-Soviet trade relations in the last 10 years. With the gradual resumption of Sino-Soviet relations in the 80's, there has been rapid development in trade contacts, and economic and technological cooperation between the two countries. The growth rate was especially remarkable in the latter years of the 80's. The Sino-Soviet trade volume in the five years from 1986 to 1990 is expected to reach 22 billion Swiss francs, which is double the Sino-Soviet trade volume in the 70's. From 1986 to 1988, Sino-Soviet trade amounted to 12 billion Swiss francs. In 1989, the total volume of import and export trade between the two countries reached 4.83 billion Swiss francs, which represented a nearly 18-percent growth against the 4.1 billion Swiss francs in 1988. From 1986 onwards, the Soviet Union has ranked fifth in China's foreign trade partners. The Sino-Soviet trade volume is only surpassed by the Hong Kong and Macao area, Japan, the United States and the Federal Republic of Germany.

From the viewpoint of commodity structure, exports of raw materials and primary products between China and the Soviet Union during these years constitute some 50 percent of the two countries' respective exports. The rest of Sino-Soviet trade consists of the barter of light textiles, and machinery and electric equipment.

In the ten years from 1981 to 1989, China imported from the Soviet Union a total of more than 7.8 million metric tons of steel products and pig iron, more than 17 million cubic meters of lumber and papermaking material, more than 3.7 million metric tons of urea, more than 1.19 billion Swiss francs' worth of nonferrous metals and precious metals, and more than 119,000 vehicles and 57 airplanes.

During that same period, China exported to the Soviet Union more than 600,000 metric tons of meat and canned meat, 630,000 metric tons of fruit, 8,000 metric tons of filature silk, some 970 million Swiss francs' worth of nonferrous metals and minerals, and 3 billion Swiss francs' worth of soybeans, corn and shelled peanuts. Moreover, there were also exports of large quantities of textile and other light industrial products. In the last few years, China's high quality and quantity machinery products, hand tools, car batteries, and complete sets of spare parts of cars and railways cargo carriages have begun to enter the Soviet market.

The steady development of Sino-Soviet economic and trade cooperation in recent years is attributable to the long-term trade agreement for 1986 to 1990, and the economic and technological agreement for the Soviet Union to build and transform industrial projects signed between the two governments in July 1985. The smooth implementation of those agreements has been brought about by the joint efforts of the two parties.

According to the technological cooperation agreement, the Soviet Union will build and transform 24 new projects in China (which comprise 33 subsidiary projects.) Contracts have been signed for 12 projects, amounting to 900 million Swiss francs. Of those projects, the relatively large-scaled ones include: Two 500,000-volt transmission and adaptation cables, a linen factory in Harbin, the No. 3 Blast Furnace of the Wuhan Iron and Steel Company, the No. 1 Blast Furnace of the Anshan Iron and Steel Company, the magnesium workshop of the Fushun Aluminum Plant, the Nancha Lumber and Cement Plant, the Luoyang Bearing Factory, gan xi jiao (1626 3571 3542) facilities in the Anshan Iron and Steel Company, and the Jixian Power Station.

With the rapid development of Sino-Soviet trade, the volume of goods transported between the two countries has grown drastically, totaling more than 9 million metric tons annually. Apart from the existing transportation modes of railways, sea and highways, transportation by river was introduced a few years ago to ensure the completion of transportation work. Tongjiang Port and Heihe Port in China, and (Nizhne-Leninskaya) Port and Blagoveshchensk Port in the Soviet Union have become connection points of Sino-Soviet goods transportation by river. The Sino-Soviet agreement signed in 1988 for the provision of loans for the construction of a railway from Usu in Xinjiang to Alatau Pass is being carried out. This railway, when formally opened for use, will become the second "main bridge" connecting Asia and Europe,

and will have a major effect on contacts between China and the Soviet Union, and even contacts with other countries.

Sino-Soviet economic relations are moving towards in-depth opening up and development through a multitude of forms and channels. With the rapid development of Sino-Soviet trade relations, apart from the main channel of trade agreed upon by the two governments, Sino-Soviet local border trade, a significant form of supplementary trade contact between the two countries, has become extraordinarily active in recent years and has scored heartening achievements.

Between 1983 and 1987, bilateral local border trade between the two countries amounted to 380 million Swiss francs. In the year 1988 alone, such trade came to more than 800 million Swiss francs. A total of 228 border trade agreements was signed in 1989, amounting to 2.7 billion Swiss francs.

In 1983, Heilongjiang Province, the Inner Mongolia Autonomous Region and the Xinjiang Uygur Autonomous Region of China commenced border trade with the Soviet Union. They were joined by Jilin Province in 1987. At present, many small cities and towns along the border have started to engage in transactions of small amounts. Such trade involvement has resulted in a scene of prosperity in the Sino-Soviet border trade volume and has played a significant part in the economic development of adjacent localities in the two countries.

Apart from border trade, economic and technological cooperation and trade intercourse have begun to take place between government departments of the two countries. The Ministry of Commerce and the National Federation of Supply and Marketing Cooperatives have started negotiations with their counterparts regarding the exchange of consumer goods. The Ministry of Agriculture of China and the Ministry of Fisheries of the Soviet Union are discussing cooperation matters in fishery production and the breeding of aquatic products. The departments concerned of the two countries are engaging in negotiations for the establishment of Sino-Soviet cooperative enterprises. Local economic and trade ties between China and the Soviet Union are gradually being formed.

The in-depth development of reform in the economic systems of the two countries has not merely provided both parties with widened trade channels, cooperation is also becoming more and more multi-faceted. For example, various forms of economic cooperation, such as the three forms of import processing and compensation trade, the contracting of projects, labor service cooperation and cooperative enterprises are gradually being widely adopted. By the end of December last year, China signed 95 contracting and labor service cooperation agreements, and 14 joint venture agreements with the Soviet Union. The total value of those agreements exceeded 360 million Swiss francs, which reflected the tremendous potential of Sino-Soviet trade.

The full development of the "mutually supplementary nature" of Sino-Soviet trade will further broaden bilateral trade prospects. Like Li Lanqing, China's vice minister of foreign economic relations and trade pointed out not long ago at a NPC press conference, both China and the Soviet Union have a need for each other's commodities. The superiority of Sino-Soviet trade lies in the "mutually supplementary nature" of the two countries' commodities. As both parties provide commodities in accordance with the need for such commodities and their own capability in doing so, the mutually supplementary nature of the structure of Sino-Soviet trade and the equal mutual benefits have bestowed broad prospects on Sino-Soviet trade.

However, Sino-Soviet trade potential has yet to be fully developed because of the traditional transactions for account.

It is known that negotiations are presently taking place to change the practice between China and the Soviet Union to spot exchange trade. The conclusion of an agreement to that effect will give more flexibility to Sino-Soviet trade and enable such trade to be tailored to the requirements of economic system reform of both countries.

We believe that the superiority of the "mutually supplementary nature" of bilateral trade will be further developed through Premier Li Peng's visit to the Soviet Union.

Looking back at the last decade and into the future, we can see that prospects are broad for Sino-Soviet economic and trade development.

Trade at Jiamusi River Port Viewed

HK1005095090 Hong Kong LIAOWANG OVERSEAS
EDITION No 18 in Chinese 30 Apr 90

[Article by Liu Yan (0491 5888): "Jiamusi Port—the Largest River Port for Sino-Soviet Trade"]

[Text] According to relevant officials, the Heilongjiang Province Water Transport Department, the Soviet Amur River Transport Department, and the Japanese-European Shipping Company of Japan will begin river-sea shipping services between the three countries when the Songhua Jiang unfreezes. This will be the shortest transportation route in economic cooperation between China, the Soviet Union, and Japan.

The Golden Waterway

The Songhua Jiang, one of the 10 largest rivers in China, the Heilong Jiang, and the Wusuli Jiang, which borders the Soviet Union, are three richly endowed rivers. They have clean water and abundant water sources. They are deep and stable, wide and easy to access, and can accommodate ships of over 1,000 tonnes. Moreover, they embrace a dozen inland cities and the coasts of the two countries through inland river routes, forming a large water network.

Through this golden waterway the Chinese and Soviet people have carried out nongovernmental economic and cultural exchanges during the past 300 years. In the 1940's and 1950's, economic and trade exchanges between the two countries increased. Soviet ships and boats frequently imported merchandise such as timber and petroleum from Jiamusi, Lianjiangkou, and Harbin via this route, while Chinese ships also transported grain and oils including soybeans and wheat flour, from Khabarovsk, Komosomol'sk-na-Amure, and Nikolaev.

However, for reasons known to all, the three rivers have remained silent for some 26 years. Nonetheless, the policies of reform and opening up have again unveiled the Songhua Jiang, Heilong Jiang, and Wusuli Jiang. In 1986 the Chinese Government officially opened the ports of Jiamusi, Fujin, and Tongjiang to the Soviet Union. Since then, hundreds of fully laden ships and boats have shuttled across this waterway. Moreover, each year when the 200-odd days of summer end, this waterway becomes a natural bridge on which the two countries can conduct trade. According to statistics, last year alone, the volume of trade carried out on this frozen waterway totaled nearly 4,000 tonnes. To fully utilize this waterway for the development of the national economy, the Chinese Government partially dredged four shoals in the Songhua Jiang from 1975 to 1982 with the result that the waterway now reaches depths of 1.4 m to 1.5 m.

In order to expand trade with the Soviet Union, China's Ministry of Communications invested another 58 million yuan to develop the river section extending from Jiamusi to Tongjiang. The depth of the Songhua Jiang waterway will increase from the present 1.2 m to 1.7 m during the dry season and to 2 m during the semi-dry season. The width of the waterway will be widened from its original 40 m to 60 m, and the curved radius will be lengthened from its original 400 m to 500 m. Barges of 1,000 tonnes will be able to navigate it fully laden all the year round. The entire project is scheduled to be completed in 1994.

The Natural Window

Jiamusi Port is situated in the Jiamusi river section on the southern bank of the lower reaches of the Songhua Jiang, neighboring the Heilong Jiang to the north and the Wusuli Jiang to the east. It was originally constructed in 1919 when the river bank was washed by the fast current. It seldom silts up and can be used for loading and as a production site for over 200 days a year. The port has a water surface area of 480,000 square meters with an average depth of 2 meters. The 2,200 m river bank links seven 1,000-tonne berths. The port can handle 2 million tonnes of goods a year, the largest river port trading with the Soviet Union.

As a natural window open to the Soviet Union, Jiamusi has an excellent geographical location. It is the traffic center of the plain between the three rivers and forms a

three-dimensional traffic network with railroads, highways, and aviation. Last year, Jiamusi became twinned with the Soviet cities of Khabarovsk and Komsomol'sk-na-Amure. Externally, Jiamusi is connected with seven large cities including Khabarovsk and Komsomol'sk-na-Amure in the Soviet Far East region by the Songhua Jiang, Heilong Jiang, and the Wusuli Jiang. It also connects with the Pacific coastal areas down the lower reaches of the Heilong Jiang via Nikolaevsk and Tatarskii Proliv. Internally, Jiamusi port is surrounded by cities, including Shuangya Shan, Qitai He, Hegang, Harbin, Qiqihar, Changchun, Shenyang, and Dalian. When sea-river transportation begins at Jiamusi port, the volume of goods transported from Heilongjiang province to the south can be reduced, lightening the transportation pressure on railways and on Dalian port and Qinhuangdao. Since 1986, Jiamusi, Tongjiang, and Fujin, the three ports under the administration of Jiamusi City, have transported a total of 450,000 tonnes of goods, valued at over 300 million Swiss francs. More than 1,000 products from over 300 enterprises in 30 provinces enter international markets through this "window."

Jia Zhenwu, chairman of the Jiamusi Port Committee, believes that the port has great potential and will play an enormous role in the future development of the national economy and foreign trade. Jiamusi not only possesses geographical advantages but, more importantly, its hinterland possesses a large comprehensive industrial structure and China's most important commodity and grain center.

Jiamusi City, the direct economic hinterland of the port, embraces over 1,500 industrial enterprises, including such key enterprises as China's largest papermaking plant, electrical and mechanical plants, the Lianhe Harvesting Machine Factory, and the Sanjiang Soybean and Foodstuffs Corporation and, therefore, it is very important to China. It has the 10 largest exporting groups dealing in electrical appliances, mechanical equipment, medicines, and textiles, marketing over 150 products in 50 countries and regions. @Of the 10 counties (cities) under Jiamusi City administration, nine have been designated by the state and the province as soybean export bases and commodity and grain bases, with an annual output of grain and soybeans totaling 2.25 million tonnes. The soybeans produced here have won world renown for their fine quality.

Port Facilities

Since 1983, China has invested over 40 million yuan to develop the third phase project at Jiamusi Port. The berths, which have been constructed or enlarged at the port for miscellaneous goods, bulky goods, coal, timber, fuel, and grain, cover a total of 310,000 square meters. The port has a floor area totaling 110,000 square meters and five warehouses totaling 6,000 square meters. It has acquired 98 pieces of modern mechanical equipment with the largest lifting capacity reaching 16 tonnes and the port is 90 percent mechanized. Another 10 ships

have been acquired and ships and boats of various kinds total 83,000 tonnes. Four special railroads have been laid with a total length of 2,800 m on which 48 railway coaches can run for transshipment and goods transfer. Communications facilities at the port have also been improved greatly and it has now been classified by the state as a first class port.

On 25 July last year, Jiamusi Port was officially opened to the Soviet Union. Since then it has received 123 Soviet cargo ships and over 63,000 tonnes were transported through the port within three months. In handling goods, it ranks first among the ports in Heilongjiang Province.

Joint inspection organs at Jiamusi Port have already taken shape over the past few years and have been able to meet the basic requirements as an international port opened to the outside.

Chairman Jia finally told this reporter that Jiamusi is planning to construct a special foreign trade dock and the relevant plans have been submitted to the state's ministry of communications. The first phase of the engineering project is scheduled to begin this winter. The entire project will take two years and will increase the cargo handling capacity by 60,000 tonnes when completed.

Public Utilities Delegation Visits Heilongjiang

SK1505014990 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 12 May 90

[Text] At the invitation of the Heilongjiang Provincial Government, a delegation of the Ministry of Public Utilities of the Russian Soviet Federated Socialist Republic, headed by Vice Minister (Nahanov), arrived in Harbin on the evening of 12 May to pay a friendly visit to our province.

On behalf of the provincial government, Yang Debin, deputy secretary general of the provincial government, gave a banquet in honor of the delegation at Huayuncun Guesthouse on the evening of 12 May.

Northeast Asia

Mongolia's Ochirbat Discusses Relations

OW1405134290 Beijing XINHUA Domestic Service in Chinese 1439 GMT 11 May 90

[Text] Ulaanbaatar, 11 May (XINHUA)—Delivering a report at the Ninth Session of the 11th Great People's Hural of Mongolia on 10 May, Punsalmaagiyn Ochirbat, chairman of the Presidium of the Great People's Hural of Mongolia, said that the significance of his recent visit to China lies in promoting Mongolian-Chinese relations. These relations have already been completely normalized and cooperation to a new stage and consolidating the political foundation for the relations and cooperation between the two countries is also of significance.

He said that Mongolia and China will steadfastly expand good-neighborly relations and friendship in accordance with the principles of mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, and peaceful coexistence.

Punsalmaagiyn Ochirbat said the joint communique issued by the two countries after his visit clearly indicates the two countries will more closely cooperate with each other for the sake of promoting and consolidating peace and security in the Asia-Pacific region and the world and improving mutual understanding and cooperation between the peoples of all countries. This point is of important significance, he said.

Yao Yilin Meets Mongolian Construction Minister

OW1205105390 Beijing XINHUA in English
0938 GMT 12 May 90

[Text] Beijing, May 12 (XINHUA)—Chinese Vice-Premier Yao Yilin said here this afternoon that China will develop cooperation with the Mongolian People's Republic in various fields on the basis of mutual help and equality.

He made the remark while meeting with visiting Mongolian Minister of Construction U. Nyamsambuu and his party.

Yao noted that there is a broad room for the two countries to learn from and cooperate with each other. He hoped that the people of the two countries would increase the exchange of their visits, deepen their mutual understanding and develop their relations of cooperation on the basis of friendly neighborhood.

Nyamsambuu held that the friendship between his country and China has entered a new stage since P. Ochirbat, chairman of the Presidium of the Great People's Hural of Mongolia, visited China earlier this month.

He highly appreciated the achievements of the Chinese people in construction and hoped that Sino-Mongolian cooperation in the field would be promoted.

Chinese Minister of Construction Lin Hanxiong attended the meeting.

The Mongolian guests arrived in China on May 6 at Lin's invitation. They have already toured Beijing, Shanghai and Hangzhou.

Shanghai Chairman Meets Japanese Diet Delegation

OW1305220490 Shanghai City Service in Mandarin
2200 GMT 5 May 90

[Text] Ye Gongqi, chairman of the Standing Committee of the Shanghai Municipal People's Congress, met and feted Takeshi Noda, member of the Japanese House of Representatives, and his entourage at the Jingjiang

Guesthouse last night [5 May]. In a cordial atmosphere, the host and guests talked about strengthening friendly bilateral cooperation.

Ye Gongqi welcomed Takeshi Noda and his entourage and briefed them on Shanghai's achievements since the city embarked on the path of reform and opening to the outside world. He also briefed the guests on the plan to develop Pudong.

Takeshi Noda, China's old friend, has been to Shanghai many times. He said that Shanghai's plan to develop Pudong is very appealing and that he is willing to contribute to the project.

DPRK Provincial Delegation Returns Home

SK1505020790 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 9 May 90

[Text] After successfully concluding its goodwill visits in our province, the seven-member delegation of the North Pyongan Provincial Committee of the Workers Party of Korea [WPK] of the DPRK, which is headed by Han Song-san, secretary of the provincial WPK Committee, left the city of Dandong for home on the afternoon of 9 May.

The DPRK provincial WPK delegation arrived in the city of Shenyang on 27 April and paid visits to the cities of Shenyang, Dalian, Dandong, and Liaoyang. It also paid a visit to the capital of our country. During their stay in Beijing Municipality, the delegation was received and feted by Zhu Liang, head of International Liaison Department under the CPC Central Committee.

Upon leaving the city of Dandong, the DPRK provincial WPK delegation was seen off at the end of the Yalu River bridge by the city's leading personnel, including Wang Wenqian, mayor of Dandong City.

Southeast Asia & Pacific

Liao Hansheng Hosts Dinner for Prince Sihanouk

OW1405141490 Beijing XINHUA in English
1349 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—Liao Hansheng, vice-chairman of China's National People's Congress (NPC) Standing Committee, hosted a dinner here this evening for Samdech Norodom Sihanouk, president of Cambodia, and his wife.

Near East & South Asia

Deng-Mubarak Meeting Coverage Controversial

Egyptian Paper Carries Photograph

NC1305201090 Paris AFP in English 1957 GMT
13 May 90

[Text] Cairo, May 13 (AFP)—A leading Egyptian newspaper has published a photograph here of a meeting

Sunday in Beijing between Chinese leader Deng Xiaoping and President Husni Mubarak.

The picture appeared on the front page in the Monday edition of the pro-government paper AL-AHRAM.

Chinese television broadcast no footage of the meeting, giving rise to speculation on the state of Mr. Deng's health and political influence.

In addition, foreign correspondents and photographers who had arrived at the Great Hall of the People, the seat of parliament, to cover the ceremonial handshake were asked to leave without explanation.

Press reports here said Mr. Deng told President Mubarak that he was no longer involved in politics and met only with "close friends."

Chinese President Yang Shangkun, responding to rumours that Mr. Deng had died, Sunday asserted that the 85-year-old leader enjoyed "very good health" but had decided to make fewer public appearances following his retirement from political life last November.

Domestic Media Restricted

HK1505020590 Hong Kong HONGKONG STANDARD in English 15 May 90 p 5

[By Cheung Po-ling]

[Text] China's official press was told by the central authorities to hold a report of Deng Xiaoping's meeting with Egyptian President Muhammed Husni Mubarak on Sunday.

None of the official press, including Chinese Central Television (CCTV), the PEOPLE'S DAILY and English language CHINA DAILY reported the meeting yesterday which had been well publicised in Hong Kong and overseas by the XINHUA News Agency.

Great attention had been attached to the appearance of Mr Deng which dispelled rumours in Hong Kong that the retired senior leader was dead.

Mr Deng's last public appearance was on February 17, when he met Hong Kong Basic Law drafters.

Analysts said the fact that Mr Deng chose to show up during a meeting with a foreign guest was a deliberate move to show the world that he was still alive.

A photograph showing the two leaders meeting on Sunday morning was also released by the XINHUA News Agency in Beijing to the press in Hong Kong.

However, an official in XINHUA's photography department confirmed that the picture was not released to media on the mainland but he failed to offer an explanation, saying it was a decision made at a higher level.

Correspondents from foreign television companies stationed in Beijing who monitored CCTV's main broadcast on Sunday night said they were surprised that the crucial meeting was not reported.

They said it could not have been a technical problem as the meeting was held in the morning and the station would have had enough time to handle the tape.

According to a CCTV official, they had been told to hold the news as early as Sunday afternoon but were not given a reason.

The official also turned down foreign correspondents' requests to buy copies of the tape taken by the station, saying the authorities had issued orders that the tape was not to be sold to foreign television.

Speculation that the report was cancelled because Mr Deng appeared in bad shape before camera was not borne out by the recording made by Egyptian national television—which was the only other TV crew allowed in to the meeting—showed a robust Mr Deng in high spirits.

Diplomatic analysts said the unprecedented move might signal a new practise by the Chinese authorities of keeping a low profile on the senior leader, who is officially retired.

The Chinese media did release remarks made at a press conference on Sunday by President Yang Shangkun—one of the people closest to the 85-year-old patriarch—that Mr Deng was in perfect health.

Mr Yang spoke about the meeting between Mr Deng and Mr Mubarak, despite the news blackout.

He attributed Mr Deng's infrequent public appearances to his retirement from high-level state and party responsibilities.

"It is highly possible that he (Deng) wants to keep himself out of public sight especially after his resignation from his last official post as chairman of the state Central Military Commission in March."

Diplomats said the remarks by President Yang might have hinted that the Chinese press would start to devote less coverage to the senior leader.

UAE President Zayid Arrives in Shanghai

Meets Mayor Zhu Rongji

OW1405170990 Shanghai City Service in Mandarin 2200 GMT 10 May 90

[Text] Shaykh Zayid Bin-Sultan Shaykh Al Nuhayyan, president of the United Arab Emirates [UAE], arrived in Shanghai from Beijing by special plane on the evening of 10 May. He was accompanied on the trip by Gao Dezhan, chairman of the Chinese Government Reception Committee and minister of forestry.

At the airport ramp, Shanghai Mayor Zhu Rongji cordially shook hands with the president and extended his warm welcome to the distinguished UAE guests, who were visiting Shanghai for the first time. The UAE, situated in the Persian Gulf, is a federation of seven emirates, including Abu Dhabi and Dubai.

Among those on hand at the airport to meet President Zayid were Liu Zhenyuan, vice mayor of Shanghai; Major General Ba Zhongtan, commander of the Shanghai Garrison Command; and Zhao Yunjun, director of the municipal foreign affairs office.

Banquet Held

OW1405171190 Shanghai City Service in Mandarin
2200 GMT 11 May 90

[Text] Zhu Rongji, mayor of Shanghai Municipality, gave a banquet at the Xinjingjiang Hotel yesterday evening to warmly welcome His Highness Zayid, president of the United Arab Emirates, who is visiting Shanghai.

As President Zayid entered the brilliantly illuminated (Baiyulan) banquet hall, accompanied by Zhu Rongji and Gao Dezhan, the band struck up a tune of welcome. The banquet proceeded in a friendly atmosphere. Both hosts and guests had a cordial conversation, congratulating each other on the further improved bilateral relations.

Also attending the banquet were Wang Chongji, Liu Zhenyuan, Ba Zhongtan, (Zhao Yunjun), and (Muhammad).

The UAE guests boarded the Pujiang, a pleasure-boat, and went sightseeing on Huangpu Jiang yesterday morning.

Aboard the pleasure-boat, the UAE guests granted an interview to a reporter. They said that Shanghai's plans for developing Pudong are far-sighted, adding that they are sure that the plans will be realized.

PLA Navy Commander Meets Pakistani Admiral

OW1405143990 Beijing XINHUA in English
1337 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—Vice-Admiral Zhang Lianzhong, commander of the Navy of the Chinese People's Liberation Army (PLA), today met and hosted a dinner for Admiral Yasturul H. Malik, chief of General Staff of the Navy of the Armed Forces of Pakistan, his wife and their party.

The visitors arrived here yesterday on a visit at Zhang's invitation.

Bangladesh Economics Forum Ends With Agreements

OW1405183390 Beijing XINHUA in English
1438 GMT 14 May 90

[Text] Dhaka, May 14 (XINHUA)—The three-day discussions of the first ever Bangladesh-China investors forum have produced fruitful results for collaboration in different industrial sectors.

Five contracts and agreements were signed, 13 memorandums of understanding reached and 49 letters of intent exchanged during the forum which ended here today.

This will bring entrepreneurs of the two countries closer and help further strengthen the Sino-Bangladesh economic cooperation, Bangladesh Vice-President in Charge of the Industries Ministry M. Ahmed told the concluding session.

A total of 207 Bangladesh entrepreneurs and 71 Chinese investors, representing 13 corporations, participated in the intense discussions in identifying areas of joint ventures and other forms of cooperation.

During their stay here, the Chinese investors met members of the Federation of Bangladesh Chamber of Commerce and Industry, the Metropolitan Chamber of Commerce and Industry and the Dhaka Chamber of Commerce and Industry. They also had separate discussions with several Bangladesh industrialists.

The contract and agreements signed in areas involving diesel engine, mini cement factory, mini paper mill, while the memorandums of understandings reached between the two sides covered areas like electrical accessories, mechanical toys, picture tube and radio and cassettes.

Letters of intent were exchanged in areas like chemicals, electronics, textiles.

Further discussions are continuing on over 100 proposals.

West Europe

Investment, Trade Delegation Visits Portugal

HK1505034090 Beijing CHINA DAILY in English
15 May 90 p 2

[By staff reporter]

[Text] A Chinese trade and investment delegation is in Portugal for a nine-day visit to pave the way for future business after the European Community (EC) nations erase their economic borderlines in 1992.

The 11-member delegation headed by Liu Zhongliang, vice-president of the China National Metals and Minerals Import and Export Corporation, is expected to

investigate the possibility of constructing office buildings in Portugal for the anticipated influx of foreign businesses after 1992.

Business people from Hong Kong, Macao, Japan, South Korea and the Western countries are planning to invest in—and expand their businesses to—Portugal after 1992.

Sui Hui, an official with the Ministry of Foreign Economic Relations and Trade, said the delegation was also expected to negotiate the setting up of a joint venture to produce clothes in Portugal with local partners.

China would provide the raw materials and the products would be sold in Portugal or exported to other countries.

Sui said the Chinese delegation was expected to hold talks during the nine-day visit, which began on Saturday, with senior industrial officials from the Portuguese government to discuss opportunities for further cooperation and investment in this EC country.

According to Chinese Customs figures, Sino-Portuguese trade amounted \$15.49 million during the first four months of this year. Of that figure, China's exports amounted to \$14.15 million, 159.88 percent more than during the same period last year.

London-Beijing Motor Convoy Arrives in Yining

*OW1105215690 Beijing XINHUA in English
1528 GMT 11 May 90*

[Text] Urumqi, West China, May 11 (XINHUA)—A convoy of 60 vehicles which are on a motor expedition from London to Beijing reached Yining City in west China, the first stop of their last leg of the 15,700-kilometer journey, on Friday.

The caravan, which was off on road on April 17 from the Hyde Park in London, raced into China through the Korgas Pass at the Sino-Soviet border on Thursday.

The expedition, named London-Beia Challenge 1990, drew more than 150 drivers from 13 countries and regions, including Britain, France, the United States, Federal Germany and Australia.

The caravan, which has 13 veteran cars, has passed through France, Switzerland, Italy, Austria, Hungary, Yugoslavia, Bulgaria, Turkey and the Soviet Union before reaching their last leg in China.

According to the schedule, the expedition will reach Beijing, their destination, on May 25.

Chinese-Danish Ties Celebrated in Copenhagen

*OW1205193690 Beijing XINHUA in English
0544 GMT 12 May 90*

[Text] Stockholm, May 11 (XINHUA)—Chinese and Danes celebrated today the 40th anniversary of diplomatic relations between the two countries in Copenhagen, the capital of Denmark, according to news reaching here. At a reception held at the Chinese Embassy, Ambassador Zhang Longhai said friendly relations between the two countries have greatly developed over the past 40 years.

He said bilateral relations will benefit both countries, and promote stability and peace in the world.

In reply, Otto Moeller, Danish permanent Foreign Ministry under-secretary of state, said friendly relations between the two countries will be maintained and nurtured.

Danish Bank Opens Beijing Representative Office

*HK1505033890 Beijing CHINA DAILY in English
15 May 90 p 2*

[By staff reporter Wang Xiangwei]

[Text] Unibank, one of the largest financial institutions in Scandinavia, inaugurated a representative office in Beijing last week with an eye to a revival in business opportunities in China.

Brent Pedersen, the bank's managing director and chief executive of its international division, said the bank was hoping to increase its presence in China as it had seen what it described as "an encouraging increase" in Sino-Danish trade and the establishment of a number of joint ventures between Copenhagen, where the bank has its headquarters and China.

"With the increase in activities of our companies in your country, we saw it as a natural step to open an office in Beijing," he said.

Pedersen said the bank wanted a long-term involvement in China as it believed that "China will become one of the leading industrialized nations."

He said Unibank—the first Danish bank to open a branch in China—would offer a wide range of financial advisory services to corporations and joint ventures in the country, focusing in particular on Danish related business.

"Our experience so far has been that there is a great demand for our advisory services," Pedersen said.

The Beijing office would try to concentrate on offering financial advice and assistance to people hoping to set up joint ventures in China, he said, adding that a growing number of Danish businessmen were now coming to the country to explore the possibilities.

CHINA DAILY learned that Denmark's direct investment in China in 1988 was \$19.80 million but the exact number of the Danish-funded enterprises here was not available.

Unibank was formed as a result of a merger of Denmark's three leading banks—Privatbanken A/S, Andelsbanken A/S and SDS bank A/S. The merger, which took effect on January 1 this year, has brought to Unibank total assets of \$42.9 billion with capital and reserves of \$2.6 billion.

Pedersen said the bank's core business was centred on the international financial markets, with more than a third of its total lending conducted abroad.

The office in Beijing is the bank's fifth overseas office in Asia following the establishment of representative offices in Singapore, Tokyo, Manila and Hong Kong.

French Businessmen To Develop Shanghai's Pudong

OW1305142790 Beijing XINHUA in English
1334 GMT 13 May 90

[Text] Shanghai, May 13 (XINHUA)—A French delegation of investors arrived in Shanghai today to have talks with the city on their participation in the development of the Pudong area.

The investors' delegation of the French Chamber of Commerce and Industry in Hong Kong consists of representatives of 13 largest French companies and banks in Hong Kong.

Christian Roussel, general manager of the chamber, told XINHUA that his delegation members include senior managing personnel of companies and enterprises in chemical, pharmaceutical, printing, food processing, optical and cosmetic industries, banks and hotels, who are planning to expand their business from Hong Kong to Shanghai.

He said that Shanghai is a key to lasting economic development in China and the opening of its Pudong area has aroused interest among French industrialists and financiers.

He said that his chamber will send a trade delegation to Shanghai before the end of this year.

It was learned that France has already invested a total of 7.42 million U.S. dollars on seven projects in Shanghai in addition to a loan of 21.5 million U.S. dollars for the construction of the subway in the city.

Latin America & Caribbean

Yang Shangkun Begins Five Nation Tour 14 May

Arrives in Mexico

OW1405234690 Beijing XINHUA in English
2331 GMT 14 May 90

[Text] Mexico City, May 14 (XINHUA)—Chinese President Yang Shangkun arrived here by special plane this afternoon to begin his five-nation state visit to Mexico, Brazil, Uruguay, Argentina and Chile.

This is the first visit of its kind by a Chinese head of state to Latin America since the founding of the People's Republic of China. Mexico is the first stop of President Yang's Latin America trip.

Tomorrow, Mexican President Carlos Salinas de Gortari will hold a formal welcoming ceremony in honor of President Yang, and the two will hold talks afterwards.

During his visit, President Yang will also meet other Mexican officials, leading industrialists and businessmen and representatives from the local Chinese community. He is scheduled to leave for Brazil on May 17.

Accompanying Yang on the trip are Vice Premier Wu Xueqian, Vice Foreign Minister Liu Huaqiu, Vice Minister of Foreign Economic Relations and Trade Li Xuejian and other Chinese officials.

Arrives in Mexico City

HK1505072390 Beijing ZHONGGUO XINWEN SHE
in Chinese 0325 GMT 15 May 90

[Text] Mexico City, 14 May (ZHONGGUO XINWEN SHE)—After a 15-hour flight, Chinese President Yang Shangkun arrived here at about 1600 local time today. Mexico City fired a 21-gun salute welcoming Yang, the first Chinese president to visit Mexico.

Mexico is the first stop on Yang Shangkun's trip to five Latin American countries. He will later visit the following four countries in succession: Brazil, Uruguay, Argentina, and Chile. Apart from Uruguay, who established diplomatic ties with China only two years ago, the other four countries established diplomatic ties with China in the 1970's. The presidents of Mexico, Brazil, Uruguay, and Argentina have all visited Beijing.

Yang Shangkun is paying a visit to Mexico this time "with the aim of enhancing mutual understanding and friendship, expanding bilateral exchanges and cooperation, and learning from the Mexican people." He expressed his belief that his current visit would help upgrade the existing good relations between China and Mexico.

The present tour, starting in Mexico, will be a long one. It is learned that the 83-year-old Chinese head of state will fly over 50,000 km during the whole trip which will

last about 20 days. Early May marked a high season for China's diplomatic activities. A number of state guests arrived in China in turn and Yang Shangkun was very busy with state affairs. In spite of this, President Yang did not look at all tired yesterday when he stopped over in Leningrad, in the Soviet Union, after more than eight hours flying.

It is learned that Yang Shangkun will stay in Mexico for three days. He will hold talks with Mexican President Carlos Salinas de Gortari and meet with representatives from the Mexican industrial and commercial circles and also the local Chinese community.

Mexican Foreign Minister Fernando Solana Morales greeted President Yang at the airport.

Yang Shangkun arrived in Mexico City via Cancun. When he arrived at the (Golden Way) [jin dao 6855 6670] Hotel where he was to stay, he was welcomed by representatives of the local Chinese community who lined up by the front door of the hotel. Mexican musicians greeted the president with passionate folk music.

Met at Airport, Comments on Arrival

OW1505012890 Beijing XINHUA in English
0106 GMT 15 May 90

[Text] Mexico City, May 14 (XINHUA)—Chinese President Yang Shangkun arrived here this afternoon to begin his five country state visit in Latin America.

Yang, accompanied by Chinese Vice Premier Wu Xueqian and other Chinese officials, were met at the airport by Mexican Secretary of Foreign Affairs Fernando Solana Morales. Chinese Ambassador Shi Chunlai greeted President Yang at Cancun Airport, where Yang's special plane made a refueling stop.

As he stepped on the red carpet receiving line, President Yang Shangkun was accorded a 21-gun salute, and was greeted by Solana.

Arriving at the airport lounge, the Chinese president told gathering reporters there that he was very happy to make Mexico the first stop of his five-country Latin American state visit.

"I believe my upcoming meeting with the president of Mexico, during which we will exchange views on a range of issues, will be a success," he stated.

Earlier in Cancun, President Yang met with Governor of Quintana Roo State of Mexico Mr. Miguel Borge Martin and had cordial talks with him.

Tomorrow, Mexican President Carlos Salinas de Gortari will hold a formal welcoming ceremony in the National Palace for the visiting Chinese president, and the two will discuss a wide range of issues of common concerns.

The five-nation Latin American tour of President Yang will also bring him to Brazil, Uruguay, Argentina and Chile.

Since Mexico and China established diplomatic relations in February 14, 1972, three Mexican presidents—Luis Echeverria Alvarez, Jose Lopez Portillo and Miguel de la Madrid Hurtado—have visited China and, serving as special envoy for former President de la Madrid, President Salinas visited China three years ago this month.

Yang's visit marks the first time that a Chinese president ever landed his feet on the Mexican soil, or the soil of any Latin American country.

Exchanges between China and Mexico dated back to the latter half of the 16th century. Through the "silk road on the sea"—a sea route via Manila and Acapulco, Chinese textiles and porcelain products were shipped to Mexico and exotic Mexican farm produce were shipped back, which contributed to the mutual understanding of the two peoples.

Since the early 1970's, bilateral trade between the two countries have taken a leap, reaching about 200 million U.S. dollars last year, or some 15 times of what it was in 1972. In recent years, bilateral economic cooperation such as joint ventures have also received a boost due to efforts of both sides, especially because of China's policy of reform and opening to the world.

Yang is scheduled to conclude his visit here on Thursday. Accompanying him on the current trip are also Chinese Vice Foreign Minister Liu Huaqiu, Vice Minister of Foreign Economic Relations and Trade Lu Xuejian and other Chinese officials.

Praises Soviet Ties on Stopover

OW1505064290 Beijing XINHUA in English
0548 GMT 15 May 90

[Text] Mexico City, May 14 (XINHUA)—Chinese President Yang Shangkun said today that the recent official visit by Chinese Premier Li Peng to the Soviet Union has laid a good foundation for further developing Sino-Soviet relations.

Yang, who arrived here this afternoon for a five country state visit to Latin America, made the remarks upon his departure from Leningrad early this morning, where he made an overnight stopover and was welcomed by senior Soviet officials, it was learned here today.

Chinese Foreign Ministry spokesman said President Yang had cordial and friendly conversations with his hosts, R. Nishanov, chairman of the Committee of Nations of the Supreme Soviet, and V. Khodmev, chairman of the Executive Committee of the Leningrad Soviet, before boarding his special plane. He thanked the Soviet officials for their hospitality and asked them to convey his "best regards and good wish" to Soviet President Mikhail Gorbachev.

Yang said to his hosts that, over the past year since the Sino-Soviet summit, the relations between China and the Soviet Union have developed "in all aspects" and their cooperation is "continuing to expand."

Yang said that the prospect for developing Sino-Soviet relations will be bright, as long as the two countries "continue along the road paved by the Sino-Soviet summit and foster their friendly, neighborly relations based on the five principles of peaceful coexistence."

The five principles, which was initiated 35 years ago, are the mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. It has always been the starting point of the Chinese Government in conducting its foreign policy.

International Business Forum in Peru Opens

OW1105211390 Beijing XINHUA in English
1803 GMT 11 May 90

[Text] Lima, May 11 (XINHUA)—With an eye towards fostering new development, business and investment ideas, Peru plans to host an international forum on "Peru's Business Strategy in the Pacific Rim: Opportunities and Risks."

The international event, organized by the Foreign Relations Ministry and the Business Administration School for Graduates (ESAN), will take place here on May 14-17.

Jorge Talavera Traverso, the dean of ESAN, told reporters at a press conference Thursday that the forum's main objectives are the real integration of Pacific Rim countries, as well as the exchange of experiences in commercial trade and the promotion of exports to boost the influx of foreign currency, all within the area considered to be the world's next great trade center.

He said that Peru must enter the economic-commercial flow of the Pacific Rim, without leaving behind its current markets in Europe and the United States, to diversify its commerce and attract new buyers for its export goods.

The Pacific Rim's 180 million square kilometers integrates at least 36 countries and regions from the Continents of America, Asia and Oceania, including the United States, Japan, China, Canada, Australia, New Zealand, Hong Kong and Singapore.

During the international forum, prominent speakers from China, Federal Germany, Japan, New Zealand, the United States, Canada, Brazil, Peru and various world organizations will participate.

A delegation from China, headed by Wang Shu, vice-president of China's National Council for Pacific Rim Economic Cooperation, will also attend the forum.

Wang Shu is scheduled to address the forum on May 15 on the theme: "The Outlook of Economic and Commercial Cooperation Between China and Peru".

Colombia To Borrow Technology For Coal Briquets

OW1005201290 Beijing XINHUA in English
1757 GMT 10 May 90

[Text] Bogota, May 10 (XINHUA)—Colombia plans to begin building coal briquet-making plants to make the combustible mineral transportable to highly deforested areas where wood is normally used for domestic consumption, the government announced Wednesday.

The project, which aims to cut down on deforestation, entails producing coal briquets from bituminous coal derived from deposits discovered near coffee growing regions to replace wood used for cooking and drying grains.

Colombia's Ministry of Mines and Energy said the project is also designed to open up a national market for the mineral, which is in ample supply here, in addition to combating deforestation.

According to a presidential press release, a cooperation accord signed in Beijing in 1987 between the People's Republic of China and Colombia laid the groundwork for the project, which consists of first building a pilot plant with a capacity of 10,000 tons a year and a longevity of 20 years, to produce the approximately one kilo, cylindrical briquets. Once the plant's use, operation and economic and social profitability are proven, the number of plants may be increased in accordance with the demand.

The ministry said it has held talks with China's National Coal Import and Export Corp. regarding the purchase of such a plant and the accompanying technology.

Wen Jiabao Heads CPC Delegation Visit to Cuba

WA1505141690

For Cuban coverage of the visit to Cuba by the CPC delegation, presided over by Wen Jiabao, alternate member of the CPC Secretariat, please see the 14 May and subsequent issues of the Latin American DAILY REPORT.

Political & Social

Jiang Promulgates Military Estates Ordinance

OW1405192590 Beijing XINHUA Domestic Service
in Chinese 0738 GMT 9 May 90

[Text] Beijing, 9 May (XINHUA)—Jiang Zemin, chairman of the PRC Central Military Commission, recently signed an order authorizing that the "Ordinance Governing the Management of Estates of the Chinese People's Liberation Army [PLA]" be promulgated in the military for implementation.

Based on the Chinese Armed Forces' years of experience in managing real estate, the ordinance provides new regulations for improving the management of military estates. Its promulgation and implementation will be significant for the management, use, and preservation of military estates.

The ordinance's six chapters and 36 articles consist of general principles, the authority and procedures for examining and approving the adjustment of military estates, various management rules and measures, the development and operation of military estates, rewards and penalties, and an appendix.

The ordinance clearly states that the Military Commission and PLA Headquarters have the authority to adjust and dispose of military estates, and that various units have the responsibility to manage and maintain the estates they use but not the authority to dispose of them. It adds that both administrative and economic measures should be used to manage military estates, that conditions should be created so that the existing military bases can gradually be divided into administrative areas and housing areas, and that estates in the housing areas should be managed according to economic means in conjunction with the reform of the housing system so that they will be gradually socialized [xiang she hui hua guo du 0686 4357 2585 0553 6665 3256]. It also says that personnel who develop and operate military estates must do so under the terms that the estates are to be used by the military and that they will keep military secrets, that the development of military estates should be managed under the relevant departments and the operation must be lawful, and that developmental projects must be strictly screened so that their economic benefits can be brought into full play.

Background of Jiang Zemin's Speech Noted

HK1405130190 Hong Kong WEN WEI PO in Chinese
5 May 90 p 2

["Special dispatch" by WEN WEI PO Beijing-based reporter Chen Chien-ping (7115 1696 1627): "The Background of Jiang Zemin's Speech"]

[Text] Beijing, 4 May—On 3 May CPC General Secretary Jiang Zemin published a long speech entitled "Patriotism and the Mission of Chinese Intellectuals."

Jiang Zemin wrote this speech in commemoration of 4 May Youth Day. The title and contents of this speech involve intellectuals. This speech makes a political appraisal of Chinese intellectuals and places high hopes on them.

The Reason for Publishing the Speech One Day Earlier

Reports said that the publication of Jiang Zemin's speech was originally scheduled for 4 May, but after serious consideration it was published one day earlier. The contents of the speech were not changed. The speech focuses on Chinese intellectuals. Several factors made it necessary for the speech to be published one day earlier. First, following the change in era, the Chinese traditionally-celebrated 4 May Youth Day has become a special festival for Chinese intellectuals. Second, since the Beijing storm last year intellectuals have been eager to know how the CPC Central Committee appraises them. Third, the activities of the radio ship "Goddess of Democracy" organized by the "Front for Democracy in China" have drawn the attention of the CPC. One analysis holds that the ship "Goddess of Democracy" is trying to set Chinese intellectuals against the CPC. This problem should not be regarded as unimportant. Fourth, taking account of the political and economic situation in the country, the CPC has since last year stressed that stability must override everything else. To put it more specifically, the central authorities will concentrate their efforts on these three categories of people: Workers who have nothing to do, peasants, and intellectuals. Policies and measures have been gradually taken with regard to workers and peasants. But the central authorities had not clarified their attitude toward intellectuals. Such being the case, it is obvious that Jiang Zemin's speech represents the central authorities' policy on intellectuals. In a more practical sense, it is aimed at stabilizing the minds of intellectuals. The publication of this speech on the eve of 4 May Youth Day to explain the central authorities' appraisal of and requirements for intellectuals had positive effects on stability.

Intellectuals Should Receive Much Attention

Today top CPC leaders issued instructions pointing out that Jiang Zemin's speech is very important. They demand that from now on Chinese intellectuals' achievements on various fronts should be given publicity, as should fine intellectuals in the country.

People have long been concerned about Chinese intellectuals' work and pay. How this problem is solved portrays the central authorities' attitude toward intellectuals. But Jiang Zemin's speech only deals with this problem in principle and does not outline a detailed policy. It does not go into details because the central authorities have so far not worked out an overall settlement program. Not long ago the State Science and Technology Commission; the State Commission for National Defense Science, Technology, and Industry; the State Education Commission; the Ministry of Public Health; the Organization

Department of the CPC Central Committee; the Personnel Department; and other state departments that have close relationships with intellectuals conducted special surveys on the lives, work, and wages of intellectuals and proposed settlement programs. For example, the State Science and Technology Commission worked out a program on wage percentage increases and the Organization Department proposed reducing the number of personnel in certain departments to increase wages. Each program has its own characteristics. But viewed from a comprehensive angle, no methods have been formulated in such a manner that they are applicable throughout the country.

Detailed Measures Are Being Put Into Effect

Although no major plan has been formulated by the central authorities, some detailed measures have been put into effect. For example, once scientific and technological personnel were criticized for taking up part-time jobs, but a formal state policy has now confirmed this practice as long as it does not affect normal scientific and technological research. In addition, scientific and technological personnel are encouraged to contract for some small and medium-sized enterprises. To stimulate the exchanges of intellectuals, the Personnel Department submitted a proposal to the State Council on changing position titles. A point that has been proposed is to change the position titles such as director-level reporter and director-level editor (equivalent to assistant professor on the mainland); press departments should only have reporters, senior reporters, editors, and senior editors. Also, the appraisal of position titles should be separated from recruitment work. The appraisal of position titles is an examination on qualifications, whereas recruitment work should be decided by the recruiting department according to its actual needs. Only when a person is employed will he be entitled to benefit (wages and so on) according to his position. Recruitment work should involve all trades. These detailed measures are being gradually put into effect.

Xu Jiatun Associates Called Back to Mainland

HK1505022390 Hong Kong SOUTH CHINA
MORNING POST in English 15 May 90 pp 1, 2

[By Fanny Wong]

[Text] Four close associates of the former director of the New China News Agency (NCNA) in Hong Kong, Mr Xu Jiatun, were abruptly summoned back to China last Friday—the day news broke of Mr Xu's departure for the United States.

All had either served or were still serving in the general office before their recall. They were from Jiangsu, Mr Xu's home province, or neighbouring Zhejiang, and two were once Mr Xu's personal secretaries.

One of them, Mr Chen Hong, a relative of Mr Xu and former personal secretary who recently transferred to another section, is now in Guangzhou.

The others included another former personal secretary, Mr Gao Hejia, and Mr Lu Nanping, who has been in the General Office for several years. The fourth one is Mr Dou Changchun, who left NCNA in 1987 to be general manager of a left-wing weekly magazine.

It is not known if their recall to China was connected with Mr Xu's trip to the United States, nor whether or when they would return to Hong Kong.

The former head of the general office, Mr Liu Lin, left the NCNA shortly before Mr Xu's retirement in February.

Morale in the NCNA is said to be low and a pall of uncertainty is hanging over the headquarters in Queen's Road East.

Mr Xu's departure overshadowed staff demands for a review of their 10.1 per cent pay increase, which would otherwise have erupted into a major issue, sources said.

Many mainlanders who have served in Hong Kong for some length of time are particularly anxious, it was learned. Now, with the Chinese Government certain to enforce regulations that cadres must not serve more than a stipulated period outside mainland China, many mainlanders both in the NCNA and other China-backed firms face the likelihood of being recalled.

If this was the case, sources said, it could seriously jeopardise the smooth working of the NCNA and other groups such as China Resources, China Travel Service, the Bank of China group and China Merchant Navigation.

More than half of the staff at the NCNA are mainlanders, many of them having been in Hong Kong for more than three or four years. They came during the second half of Mr Xu's 6 1/2-year tenure in Hong Kong and most of them are in senior positions.

Four of the six vice-directors, for example, are from the mainland and almost all departmental heads are mainlanders.

It was also learned that Chinese border security guards were told to be on the alert for Mr Xu early this month. However, it is believed that Mr Xu crossed the border into Hong Kong before these instructions had reached the border posts.

Mr Xu, who visited Canada and the United States in 1987, was due to visit the United States again last year, but the pro-democracy movement and the subsequent turmoil made it impossible for him to do so.

Sources said he could have taken up the invitation after his retirement, on the basis that he was taking a holiday and intended to return to his home in Nanjing. This, they said, was probably why he had taken some of his relatives with him.

Chinese-language newspapers in Los Angeles, where Mr Xu is staying have publicised his presence, but he has not made any appearance nor made any statement to clarify the situation.

Further Coverage of Song Ping Meeting Defectors

OW1405212590 Beijing Television Service in Mandarin
1000 GMT 12 May 90

[From the "National News Hookup" program]

[Text] [Video opens with Song Ping, Ding Guangen, other leading comrades entering a hall where over 100 former crew members of the China Merchants Steam Navigation Company in Hong Kong have gathered; the former crew members, who are standing in six rows, applaud the arrival of the leading comrades, who in turn also clap their hands; video then shows Song standing behind a microphone and making a short speech while other leading comrades stand behind him] Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, and Ding Guangen, Xi Zhongxun, Ni Zhifu, Qu Wu, and other leading comrades cordially met at the Great Hall of the People on the morning of 12 May with some of the former uprising personnel of the China Merchants Steam Navigation Company in Hong Kong.

[Begin Song Ping recording] A group of our comrades of the China Merchants Steam Navigation Company rose up and crossed over to the motherland 40 years ago. This was a well-known patriotic act, which won heartfelt praise from people across the country. During the past 40 years, you comrades have, under the party's leadership, worked industriously and made various positive contributions to the motherland's development and the socialist cause. During this period, some comrades also suffered ordeals in various political movements. However, you all have undergone various tests, which have proved your true loyalty to our socialist motherland and have displayed your patriotic spirit. Whenever we think of this, we are very much heartened and happy. I hope you will continue working hard at your various posts. At the time your group crossed over, there were more than 700 of you. More than 500 are still living and playing their role on all fronts. I believe that in the new historical period, we all should make concerted efforts, continue to work hard under the party's leadership, and make new contributions to the socialist cause and the motherland's reunification. Thank you. [applause] [end recording]

Chen Junsheng Discusses Flood Prevention Work

OW1405151090 Beijing Domestic Service in Mandarin
7 May 90

[Text] State Councillor Chen Junsheng, at a briefing by the State Flood Control Headquarters on the current situation in flood prevention on 7 May, said: Flood prevention is an important matter, for it concerns the safety of people's lives and property, as well as their

economic and social stability. We must never be unrealistically optimistic or numb ourselves by leaving things to luck. We should make preparations long before the flood season.

Chen Junsheng observed: Most parts of China have reported plenty of rainfall this year which will give us an edge in fighting drought. However, some regions also reported that the amount of rain was unprecedentedly high. Therefore, we must tackle the tasks of preventing flood and coping with drought at the same time in order to succeed in warding off disaster. Localities should make arrangements regarding equipment and funds to be used to combat floods as early as possible instead of waiting until the floods are coming. In carrying out this task, we should implement the responsibility system. We should come up with well-coordinated flood-prevention measures for the seven major rivers in China. The weather and hydrological departments should strive to improve their forecasting work and ensure that the channels for relaying flood information are open and unobstructed. To make sure that urban areas are well prepared against floods, the water resources and urban construction departments should coordinate in carrying out a system under which mayors assume the responsibility for flood-prevention work. At present, it is necessary to work on in particular [words indistinct] reservoirs and dangerous sections of river embankment.

Chen Junsheng stressed that the flood prevention work concerns the nation's overall situation. Departments in charge of materials, commerce, railways, and traffic should work together closely as always to make the flood prevention work a success.

'Worst Floods' Forecast

HK1205005490 Beijing CHINA DAILY in English
12 May 90 p 3

[By staff reporter Liang Chao]

[Text] Anqing—A high-ranking official has warned that the Yangtze is likely to see its worst flood for more than 30 years this summer.

The grim forecast came from Wang Shouqiang, vice-minister of the Ministry of Water Resources, who said, "We must prepare for the worst."

Wang, who is also director of the Office of the State Flood Control Headquarters, was speaking on Thursday at a special conference on flood control on the Yangtze.

He urged local authorities along the middle and lower reaches of the country's largest river to prepare for the worst flood since 1954 during this year's flood season from July to September.

The State has invested 700 million yuan (\$148.62 million) in recent years to heighten and improve the banks of the river and is likely to invest 50 percent more this year than last to cope with the flood if it comes.

Wang ordered flood control officials from five provinces—Hubei, Hunan, Jiangxi, Anhui and Jiangsu—and Shanghai to start working out measures to fight the flood.

He said that more than 30,000 people died in the 1954 flood when over 18.8 million people were affected to a greater or lesser degree and 3.2 million hectares of farmland were flooded.

Although the river is capable of safely discharging considerable quantities of flood water, it does occasionally flood surrounding land.

The worst affected areas are the middle and lower reaches.

Floods in China kill 3,000 people on average each year and damage eight million hectares of crops at a cost of nearly 1 billion yuan (\$212.3 million).

Wang said there had been more rainfall so far this year—resulting from the abnormal changes in the weather—in most areas along the Yangtze's middle and lower reaches compared with the same period in previous years.

As a result, the water levels in these areas were higher than usual.

The water level recorded in the river's middle reaches at Hankou hydrological station had already exceeded the highest level recorded in the past 125 years, according to a report drawn up by experts and issued at the conference.

The monthly rainfall in some parts had reached 300 millimetres, a level rarely seen in the past 40 years, the report said.

Early last month, the experts said, the water stored in a reservoir near the Yangtze had increased by 78 percent compared with the same period in previous years.

According to the latest reports from Hankou on the middle reaches of the Yangtze, the water level recorded on Tuesday was 21.5 metres, only 1 centimetre below the station's record in the 1954 killing flood.

People living along the middle and lower reaches of the river faced a critical situation if the water kept on rising, the experts warned.

More rainfall is expected in these areas because of the change in the temperature of water from the East Pacific Ocean.

Wang said that although experts had conflicting opinions about the effects of changes in the weather, abnormal phenomena could not be ignored.

"We must prepare for the worst," he said.

More than 50 percent of China's total annual industrial output comes from the Yangtze River valley area.

Commentator's Article Discusses May 4th Movement

HK1405153090 Beijing GUANGMING RIBAO
in Chinese 3 May 90 p 1

[Commentator's article: "Unswervingly Take the Road of Integrating with Workers and Peasants—Commemorating the 71st Anniversary of the May 4th Movement"]

[Text] The May Fourth Movement 71 years ago was a great, intellectual-led, anti-imperialist, anti-feudal, patriotic democratic movement, and a new cultural movement holding high science and democracy. One of the profound enlightenments of the movement for the succeeding generations was that intellectuals must unswervingly take the path of integrating with workers and peasants.

The kind of path taken by intellectuals is a question of fundamental import, one of principle. Fifty-one years ago, at the 20th anniversary of the May 4th Movement, Mao Zedong expounded a famous thought in two of his articles "The May 4th Movement" and "The Direction of Youth Movements: "The ultimate yardstick for determining if an intellectual is revolutionary or not, or counterrevolutionary, is whether he is willing to actually join workers and peasants." The thought represents a scientific conclusion of the intellectuals' experiences in movements during the May 4th period and has served as a profound revelation for the growth of intellectuals under the CPC leadership. It revealed the direction for youth movements in our country.

However lately, talks about intellectuals uniting workers and peasants have not been, or rarely been, heard, resulting in an impression that the integration of intellectuals with workers and peasants applies only to the Democratic Revolutionary Period and not to the present period of socialist construction. Those stubbornly adhering to the bourgeois liberalized stand have exploited the situation to give publicity to their "elite politics," preaching that only they are the genuine "saviors" for the millions of worker and peasant masses, and only they could get hold of the destiny of China; the wide working and peasant masses, who exhibit all the "worst nature" of the Chinese race, are only ordinary folks subject to their arbitrary manipulation. This opinion climate has created great confusion in people's minds and blurred the correct direction of youth movements. However, history has always been fair. The practice since the founding of the country has proved that the path pointed out by Mao Zedong 51 years ago, that intellectuals should be united with workers and peasants, is not outdated at all: It remains the inevitable path through which intellectuals must take in their growth.

The fact that intellectuals must take the path of integrating with worker and peasant masses is determined by the status of workers and peasants as the main body in social practice. Whether in the revolutionary war period or in today's socialist construction, workers and peasants

have been the main body of practice, with the intellectuals playing a pioneer and bridge role who, however, will achieve nothing if deviated from the social practice of billions of masses and the main body of practice of billions of masses. Second, only by going deep among integrating with workers and peasants can intellectuals obtain complete knowledge and turn their scientific knowledge into a material force capable of transforming society and the world. Intellectuals generally are experts in a particular area, but the expert knowledge tends heavily to be theoretical; especially for young intellectuals whose knowledge is acquired from books and in class. If this knowledge does not integrate with the masses and melt into a single body with the political, economic, scientific, and cultural development in China, how will it play its expected role? Moreover, intellectuals can continually train their working-class ideological quality only in social practice and in integrating with the worker and peasant masses. Today the intellectuals in our country have become part of the working class, and their world outlook is, overall, that of the working class. But we should notice that owing to their working style, behavior mode, and lifestyle, the ideological quality of some intellectuals, especially among many of young intellectuals, differs to a certain extent from that of the working class. In recent years, under the influence of bourgeois liberalized intellectual currents some youths have been worshipping blindly "self value," "self design," or "self choice," putting aside social need, the value of the motherland, and the interests of workers and peasants. This mode of thinking contrasts directly with the ideological quality of the working class. Marxism does not in general negate individual values, choice, and designs. These values, choice, and designs must be based on the needs of society and interests of the people which is the only correct attitude.

Frankly on the questions of handling intellectuals and their relations with workers and peasants, we have made the mistakes of being "leftist." But we cannot negate the general direction of intellectuals integrating with workers and peasants in the name of correcting the "leftist" mistakes. The experience of the last several generations of intellectuals have repeatedly revealed to us: It is extremely dangerous for intellectuals to deviate from workers and peasants. Take just examples near at hand. One year ago were not those famous "turmoil elites" intellectuals? However, as a result of long-time deviation from practical situations and worker and peasant masses, they wound up being hostile and betraying workers and peasants. This proves negatively that the road of intellectuals integrating with workers and peasants remains correct.

Following the Third Plenary Session of the 11th Central Committee, after profound reflection our party has formulated a range of policies which have won the hearts of intellectuals. Party committees and governments at various levels have carried out in-depth Comrade Deng Xiaoping's policy of respecting knowledge and intellectuals, having worked hard to create conditions, and

offering good working and living conditions for them. The party and government see in the young intellectual masses the future and hopes of the motherland, care for them earnestly, make high demands of them, and eagerly expect their healthy growth and them to become rapidly useful talents. All these show party's and government's high hopes for intellectuals.

"Without intellectuals there would be no socialism." Contemporary intellectuals have a heavy role to play and long-term missions. Let us, along the path of social practice and with the integration of intellectuals with workers and peasants opened up by the May Fourth Movement, draw continually from people's creative historical activities nutrients and contribute our share of wisdom and talents for strengthening the motherland and people's prosperity.

Report Views Nation's Human Rights Record

*OW1405140190 Beijing International Service
in Mandarin 0900 GMT 11 May 90*

[Article by unidentified station reporter: New China's Human Rights Record Over the Past 40 years; from "Report on Current Affairs" program]

[Text] Human rights has become a popular issue in the international arena in recent years. Our listener friends must be very interested in knowing what New China has done since its founding 40 years ago in promoting general freedom, equality, and human rights.

As is known to all, during the roughly 100 years between the Opium War, which broke out in 1840, and the founding of New China in 1949, virtually every capitalist power in the world invaded China. What they brought to the majority of Chinese people was not human rights but slavery, oppression, and mortification. After New China was founded, the working masses not only acquired voting rights but were allowed to directly participate in politics. Their numbers in leading posts, whether in state organizations, enterprises, schools, or research institutes were unprecedentedly high compared with the situation in old China.

The right to work is the most basic of human and civil rights. In China, the laboring people enjoy even greater job security than do their counterparts in Western nations. The medical and social benefits they are guaranteed are unparalleled in comparison with what were offered in old China. In the area of economic development, China has undergone earth-shattering changes over the past 40 years. Now China has basically solved the food and clothing problems for its 1.1 billion population.

New China's educational undertakings have been marked by vigor and dynamism. Most Chinese were illiterate 40 years ago. But by 1987, illiteracy or semi-illiteracy accounted for only 20.6 percent of the total population. In 1952, merely 49 percent of school-age

children in China entered school. In 1987, the percentage rose to 96.4. In the 1980s, China increased its educational spending by an average 15.9 percent annually, and the number of people holding a college degree increased an average 7.5 percent per year. It is precisely because of the considerable progress made in education that China was able to achieve remarkable results in the field of high-technological research, including research on rocket and satellite technologies, over the past four decades.

During the past 40 years, Chinese women gained equal rights with men, including the right to vote and to be elected as well as the right to equal pay for equal work, and other rights. In China, not only ethnic minorities enjoy equal individual rights but the regions inhabited by them are entitled to regional autonomy and special subsidies from the Central Government. All nationalities in China also enjoy religious freedom. What is worth mentioning is that, in the past four decades, China has helped some of the nation's minority nationalities create written languages and is always hard at work discovering and developing their cultural traditions.

Of course, this does not mean that China no longer needs to improve and advance its work in upholding human rights. As far as the present is concerned, due to the fact that People's China is still under the threat of sabotage and subversion by hostile forces at home and abroad, personal freedom and rights must not rise above the fundamental interests of national security. In addition, personal freedom and rights should be upheld with the prerequisite that they do not compromise the stability and unity of our big multinationality family. As China's national strength is still very weak, the citizen's economic rights can be guaranteed only to the extent within the nation's economic power. The current conditions in China make it inevitable that these factors will restrict the development of personal rights.

Intellectual Property Protection Work Reviewed

Progress Noted

HK1205080590 Beijing GUOJI SHANGBAO
in Chinese 21 Apr 90 p 1

[Article by staff reporter Li Zhaofen (2621 5128 5358): "U.S. Businessmen's Intellectual Property on China Mainland Is Protected; Legislation on Intellectual Property Protection Is in full Swing—Yuan Zhenmin, Director of Treaty and Law Department under the Ministry of Foreign Economic Relations and Trade, Answers Reporter's Questions"]

[Text] Controversies in Sino-U.S. trade exist over the issue of intellectual property protection. With this issue in mind, this reporter recently interviewed Yuan Zhenmin, director of the Treaty and Law Department under the Ministry of Foreign Economic Relations and Trade. A dialogue between Yuan Zhenmin and this reporter follows:

Question: Does China provide intellectual property protection?

Answer: The Chinese Government has all along attached importance to intellectual property protection. It is working hard to complete and perfect relevant legislation. The existing measures in this sphere are:

First, legislation. Since the implementation of the policy of opening up to the world, China has promulgated laws one after another including the "Trademark Law," "Patent Right Law," and "Regulations in Administration of Contracts on Technological Import" to provide legal protection for trademark rights, patent rights, and commercial secrets. In the "General Rule of Civil Law of the PRC," intellectual property is given protection as a civil right. While augmenting legislation, China has taken an active part in the activities of the world organization for intellectual property protection and joined the World Intellectual Property Organization (WIPO), the Paris Pact on Industrial Property Protection, and the Madrid Agreement on International Trademark Registration to work hard to make China's laws on intellectual property protection correlate closely with the usual international practice.

Second, protection through contracts. Regarding those pharmaceutical products and substances acquired through chemical processes (excluding chemical compounds, alloys, catalytic agents, and coatings), which are devoid of protection as explicitly stipulated in China's existing patent right law, and those patented technologies and computer software where legislation for their protection is lacking (formulation of the draft regulations on protection of computer software is under way), China still manages to provide protection in these fields through contract clauses. Once the recipient party has an obligation to keep secret in the contract, it must perform such obligation.

Third, legal sanctions will be given to those who have violated such rights through judicial departments at all levels. Regarding cases of controversies over copyright, relevant courts may handle them according to Article Five, Clause 94 to 97 in the "General Rule of Civil Law." Based on the relevant regulations in the "PRC Law of Trademark," China's industrial and commercial administration organs have also provided effective protection for foreign trademarks in the course of sanctioning their registrations and administrative implementation.

And fourth, propaganda and training on attaching importance to intellectual property protection is conducted on an extensive scale. The Ministry of Economic Relations and Trade has on three occasions called national conferences to propagate the importance of intellectual property protection and relevant laws, and to brief foreign trade cadres at various levels on the conditions of the new round of talks on intellectual property

protection related to trade, with marked results scored in the popularization of and education in the law of intellectual property protection.

Question: How is China doing with its legislation on intellectual property protection? Is it making fast or slow progress compared with foreign countries?

Answer: Presently, the State Council has already completed deliberation of the draft law on copyrights and submitted it for deliberation by the National People's Congress Standing Committee last December. The basic spirit of the draft law on copyrights is also applicable to computer software protection. Because of some characteristics of computer software, special additional clauses will be formulated. Formulation of the draft revised law on patent rights is under way. From the perspective of China's national conditions and the world history of legislation, we believe that China is fast in legislating intellectual property protection. With regard to patent rights protection, the United States set up its patent institution back in 1790 and implemented patent right protection of chemical substances in 1952. It was not until August 1988 that the patent rights on relevant chemical methods were extended to the substances directly obtained from them. Therefore, that process took 160 years to approximately 200 years. It has been only five years or so since the founding and implementation of the patent right institution in China. It is unrealistic to require China to achieve as complete and perfect a patent right institution as in developed countries in such a short period. However, China is faster than many countries in legislative process.

Question: Are Sino-U.S. negotiations on the issue of intellectual property protection under way?

Answer: Yes, on several occasions. Through sincere talks based on words of honor between the two sides, the American friends have good knowledge of the progress China has made in this aspect. We hope that China and the United States will augment their mutual understanding and trust to promote the smooth progress between the two sides in economic relations, trade, and cooperation in science and technology.

'Newsletter' Views Work Part I

HK1405071590 Beijing RENMIN RIBAO OVESEAS
EDITION in Chinese 4 May 90 p 4

["Newsletter" from staff reporters Mao Lei (3029 4320) and Zhang Zhiye (1728 1807 2814): "Liu Gushu: Please Have Your Eyes on Tomorrow—an Interview on the Protection of Intellectual Property (Part One)"]

[Text] Each time that we have met with Mr. Liu Gushu and talked with him about the issue of protecting intellectual property, this senior Chinese lawyer, 63, has always sighed with emotion. He says that everyone knows that we have done quite a lot of work in this regard, but some people still hope that we will become a fat man on one mouthful.

Liu Gushu is now chairman of the China Patent Agent (Hong Kong) Ltd. and is also vice chairman of the Chinese Branch of the International Industrial Property Protection Association. He is an eyewitness to China's development of a system for protecting intellectual property. Recently, during the World Law Meeting, he discussed this issue with these reporters again. He said: We have frankly admitted that for reasons known to all, we did not pay sufficient attention to this issue before 1978. For a long time in the past, China did not join the world in using laws to protect intellectual property. As a result, China could not prevent the encroachment upon other countries' patent rights, trademark rights, and copyrights, nor could China take legal action when China's intellectual property was violated in other countries. Even so, China had already noticed this problem before. In 1973, Ren Jianxin, who was then director of the Law Department of the International Trade Promotion Council and who is now president of the Supreme People's Court, attended the meeting of the World Intellectual Property Organization of the United Nations as an observer. At the proposal of Dr. Baogexu [7637 2706 5171], director general of the organization, Ren Jianxin said upon his return that China should enact laws to protect intellectual property. In 1979, when Liu Gushu and other officials were invited to attend another meeting of the International Intellectual Property Organization of the United Nations as observers, China had prepared the necessary conditions for carrying out cooperation with other countries in strengthening the protection of intellectual property. After that, Ren Jianxin, Wu Heng, Liu Gushu, and many other people threw all their energy into the work of enacting laws for protecting China's intellectual property.

Liu Gushu stressed: In 1979, when he talked with Dr. Baogexu, Dr. Baogexu hoped that China would do three things: 1) Revise the regulations on trademarks in light of the Paris Convention for protecting industrial property; 2) establish a patent system for China; and 3) join the International Intellectual Property Organization of the United Nations and the Paris Convention. At present, all these three things have been realized. This is a fact that no one can deny. China has enacted its "Trademark Law" in light of international practice rather than merely revising the trademark regulations. China has also formulated its first "Patent Law" and set up patent and patent agent institutions. China has not only joined the International Intellectual Property Organization of the United Nations and the International Association for Protecting Industrial Property, but has also joined the Paris Convention for protecting industrial property.

Liu Gushu said: Although China started to protect intellectual property later than other countries, the development in this field is rapid and the results are obvious. Take the patent system as an example. In April 1985, China began to handle patent applications. By the end of February 1990, China had received some 130,000 patent applications filed by local people and foreigners.

At present, the authorities have issued patents to more than 40,000 local and foreign applicants. He particularly reminded the reporters that according to China's law, foreign applicants may take precedence in obtaining patents. According to the stipulations of the "Patent Law," which entered into force on 1 April 1985, people from the countries that have concluded relevant agreements with China or have joined the relevant international treaties can take precedence in obtaining patents.

In the field of protecting intellectual property, especially in the implementation of the patent system, China has achieved marked results that have been witnessed by everyone. In the exchanges between Chinese and American patent experts, they frankly expressed this opinion. For example, the assistant director of the U.S. Patent and Trademark Bureau once pointed out that "China has achieved great results in protecting intellectual property in the last eight to 10 years."

He said that he was deeply impressed with the "rapid development" of China's patent management work. "It was surprising that the Patent Bureau of China was able to handle so many applications shortly after it began its work." Xuelin [5641 7792], a famous expert in U.S. intellectual property circles, said: "China has laid a solid foundation in the aspect of intellectual property, so it is believed that China can make further development in the future." Of course, in the exchanges with foreign counterparts, Mr. Liu Gushu found that some people still had misgivings about China's effectiveness in protecting intellectual property. Apart from the fact that China has not formulated its copyright law and that there remain some problems in the protection of trademark rights, foreign people are still not happy about two points in China's patent system: First, chemical materials and medicines cannot get patent protection in China. Second, the period of patents for inventions is too short. They hope that the patent period can be prolonged from 15 years to 20 years from the date of filing the patent application. In fact, as mechanical and electronics products are now upgraded very quickly, the protection period of 15 years is long enough. The prolonged period is mainly aimed at medicines and chemicals.

Mr. Liu said: China has a population of 1.1 billion people. Medicines and chemicals have a vital bearing on the people's lives and health. Therefore, it is natural that China will give very prudent consideration to protecting this category of patents. China's patent system is now protecting the production methods of medicines and chemicals, but it does not protect the products. Many third world countries also adopt the same approach. Mr. Liu said that it is generally agreed that the patent systems in Japan and West Germany are comparatively integrated, but they also took two steps in protecting medicines and chemicals. They first protected the production methods and then protected products. The United States and other Western countries have pursued patent systems for more than 100 years, but they only began to protect the products of medicines and chemicals several decades ago.

Mr. Liu Gushu said: A meal has to be eaten mouthful by mouthful, and a road has to be traversed step by step. China was able to establish a patent system in a short period. Therefore, it can be expected that China will not slow down the pace of further improving and perfecting the patent system. With the passing of time, people in China and other countries will see that China's down-to-earth efforts are effective.

Eyes should be cast on tomorrow.

'Newsletter' Views Work Part II

HK1405143490 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 May 90 p 4

["Newsletter" by staff reporters Mao Lei(3029 4320) and Zhang Zhiye (1728 1807 2814): "Liu Gao (0491 2640): Conditions Are Ripe for Legislation of Copyright—an Interview on Protection of Intellectual Property Right (Part Two)"]

[Text] China has in recent years promulgated the Law on Patent Right and the Law on Trade Mark, but the law on copyright is yet to make its appearance. Personalities at home and overseas are concerned about it.

When will China's law of copyright be promulgated? What are drafters of China's law of copyright thinking of and studying? With these questions in mind, the reporters interviewed Liu Gao, Deputy Director of the State Bureau of Copyright [guo jia ban quan ju 0948 13673652 2938 1444] not long ago.

Liu Gao, who is 59 years old this year, was Director of a research center under the Publishing Bureau of the Ministry of Culture in the late 1970s; later, he became Deputy Director of the said ministry's Publishing Bureau, and has a 10-year history of specializing in copyright study behind him. He said that China was the birthplace of paper and the art of printing. Historical record had it that some local official issued public notice to ban reprints of books shortly after the art of movable type printing was initiated in the Song Dynasty in the 12th Century. It is a pity that such a primitive practice of copyright protection failed to develop later on. Since the founding of the PRC, administrative regulations on protecting the right of writings (namely copyright) have been promulgated one after another. Although a law on copyright is not yet on the horizon in China, it does not mean that copyright is not given any protection; only a complete and perfect system of copyright protection has not been founded yet. In his briefings, Liu Gao told the reporters that China began to study the law of copyright since 1979. We have summed up China's experiences in copyright protection, and collected various opinions on copyright protection in several aspects, and studied the laws of copyright of various countries and several international pacts on copyright. Besides, we sent our men to foreign countries and international pact organizations to learn about copyright and invited copyright experts from other countries and international organizations to lecture on the topic, and several thousands of people

attended training classes on the topic. We have established the State Bureau of Copyright administrative and local copyright administrative organs, and formulated administrative decrees and regulations on copyright protection.

Liu Gao stressed that the "(Draft) Law of Copyright of the PRC" was formulated as the important results of those activities. The draft law has been revised more than 20 times to date, with opinions of various aspects repeatedly and extensively solicited, including those of foreign experts in copyright. The draft is presently under the deliberation of the National People's Congress [NPC] Standing Committee.

"Are the conditions ripe for the promulgation of the law of copyright in such a short period of time? Lots of readers are most concerned about it," the reporter asked.

Liu Gao was full of confidence about it. He believed that the basic conditions as well as the legal foundation for its legislation are ripe. "The CPC Constitution" provides the basic grounds. "The PRC Law of Inheritance," which has been effective since 1985, stipulates that citizens are entitled to inheritance, including properties involving copyright. "The General Rule of Civil Law of the PRC," which has been effective since 1987, stipulates that citizens and legal persons enjoy copyright and are entitled to the rights of signing and publishing their works with rewards. Presently, all departments concerned have arrived at a common understanding of the importance of the legislation of copyright with universal attention. We think that it will not be too far away when the "Law of Copyright of the PRC" comes into being.

Liu Gao stressed the fact that the implementation of the law of copyright in China and the establishment of an institution of copyright protection will be a process of gradual development, completion, and perfection, but not be completed overnight.

The reporter asked how is China to deal with the copyright of foreign works? Liu Gao pointed out that China firmly implements the policy of opening up to the outside world, and has all along been for unfolding economic and cultural exchanges on an extensive scale with all countries in the world. This is the criterion for us to handle cases involving copyright of foreign works. We will provide copyright protection of foreign works published outside China. That is beyond a doubt. However, it involves certain conditions to achieve it. For example, the interest relations between countries, especially between developing countries, should be harmonized with approaches acceptable to both sides. For another example, rather complete and perfect administrative, judicial, and collective organs are involved to be in charge of copyright protection so that the obligations to foreign countries may be well performed in China.

Full of confidence, Liu Gao said that presently the issue of copyright protection is outstanding in China. Strictly speaking, however, research and practice in copyright

protection are just at its initial stage. We have responsibility as well as the determination to continue to push forward work in this sphere. We are firm in the belief that this work is of great importance to China's modernization and the Chinese people in pushing forward the world peace and progress.

Commentator's Article Urges Doing Solid Work

HK1405113790 Beijing RENMIN RIBAO in Chinese
3 May 90 p 1

[Commentator's article: "Do More Solid Work"]

[Text] "The Decision of the CPC Central Committee on Strengthening the Party's Ties with the Masses" emphasized once again that it is necessary to "do more solid work." This is a key link in maintaining close ties with the masses. All comrades in the party must vigorously develop the good style of doing more solid work and making less empty talk.

Our party is a party always stressing reality, and doing solid work for the masses is a good tradition of this party. It is precisely because our party has done a great deal of solid work over the past decades for the independence and prosperity of the state and the liberation and happiness of the people, it has won the trust and support of the people. Since the Fourth Plenary Session of the 13th CPC Central Committee, the new party leading collective with Comrade Jiang Zemin as the nucleus has inherited and developed the party's good style and done a lot of solid work for economic improvement and rectification; deepening reforms; and promoting the steady development in the political, economic, and social fields. All this enjoys the ardent support of the people and has helped further strengthen the close ties between the party and the masses of people.

In order to do solid work, it is first necessary to foster the idea of always showing concern for and sharing the joys and sorrows of the masses. The leading cadres must think in the way the masses are thinking and be eager to meet their needs. They must regard doing solid work for the masses not only as a duty but also as an honor. They should feel uneasy whether eating or sleeping if something that should be done is not.

In order to do solid work, it is also necessary to be aware of what should be done. Leading cadres at different levels have different things to do. The workers, peasants, businessmen, students, and soldiers also have different jobs. What should they do then? The answer can only be found from the masses and from practice. Those in charge of industrial production should get the answer from workshops, those in charge of agriculture should get it from the fields, and those in charge of education should get it from the students and teachers and from classrooms and dormitories.... In short, only by going deep among the masses to listen to their opinions and heed their difficulties can the leading cadres know what they should do.

In order to do solid work it is necessary to proceed from the reality and make both long-term plan and short-term arrangements in light of the actual needs and possibility so that the work can be done in a down-to-earth manner. It is necessary to oppose both the dilatory style of work—which is characterized by being reluctant to do things right away though they can be done immediately—and impetuosity in doing things—which is characterized by expecting to have everything accomplished overnight. Some cadres who are eager to let others know their achievements always like to do something that yield immediate results but are beyond their capability or even do some "superficial work." To achieve their goal, they have even done things at the expense of the state's plans and used those human, material, and financial resources that can not be used at present, leaving a serious sequelae for future work. This is a kind of "short-term action." If we "do solid work" in this way, the interests of the masses will be harmed. Therefore, we must resolutely overcome this practice.

In order to do solid work, we must not refuse to do "small things" or "those things which are seemingly insignificant." When we stress doing solid work some cadres are only ready to do something great, thinking those "small things" not worth doing. As a matter of fact, many small things which are seemingly insignificant are closely linked with the work and life of the masses. They are actually important matters we should take care of. In the years of war, under very hard living conditions, our party still always bore in mind the problems of the masses such as the "problems of salt, rice, houses, clothing, and even child bearing. Today, we should show even greater concern for the life of the masses rather than paying no attention to that on an excuse that this is a "small matter." All matters concerning the interests of the masses are not small. If such "small matters" are not handled well, we will be unable to solve big problems.

In order to do solid work, it is not necessary that the state should spend a lot of money. When we stress doing solid work, what comes first to some cadres' minds is to get money from the state. It seems that if the state does not give them money, they will be unable to do solid work. This is a one-sided view. It is true that in order to do more things more money will be spent. But this does not mean that money, or much money, should be spent on doing everything. If the leaders have attached due importance, many things can be done with a small sum of money or even without spending any money, such as providing science and technological service, carrying out cultural and recreational activities, helping husband and wife solve their problem of living apart, helping people to transfer to other places, and mediating in the quarrels and disputes among the masses. At present and in a rather long period to come, on the basis of developing production the state will make great efforts to help the masses solve some practical difficulties and increase their standard of living. But due to reasons in the financial strength and other fields, the state is unable to spend a great deal of money in doing things the masses

want it to do. If we have done our best to do those things that can be done at present and explained to the masses those that cannot be done for the moment due to some objective reasons, the masses, who are reasonable, will certainly understand us.

To do good things for the people is a solid work. To eliminate bad things is also a solid work. Some comrades think that doing solid work only means doing something good for the people and neglect the work of eliminating bad things. The bad things refer to the unhealthy tendencies and corrosive phenomena such as taking advantage of power to seek private interests; bureaucratism; and appointing people by favoritism. The masses of people have a lot of complaints about such phenomena. It is necessary to take resolute measures to get rid of them. In order to do something good for the people we must overcome difficulties and remove obstacles. In order to eliminate bad things we must be more courageous in overcoming difficulties and removing obstacles. Generally speaking, eliminating bad things does not require much money. The key to doing a good job in this respect lies in the determination and courage of our comrades.

"Serving the people wholeheartedly" is the fundamental purpose of our party. This should be realized through the efforts of our party comrades in doing solid work piece by piece for the masses. Over the past few years, a small number of cadres have forgotten this fundamental purpose of our party and discarded the good tradition of doing solid work for the masses. It is very dangerous for them to go on like this. Through studying and implementing the "decision," let us do more solid work for the masses. Do not let the sound slogan of "doing more solid work and making less empty talk" become more empty talk!

Restudying of Lenin's Teachings Urged

HK1405103990 Beijing GUANGMING RIBAO
in Chinese 30 Apr 90 p 3

[Article by Hu Sheng (5170 4939): "Take a Firm Stand in Pushing the Socialist Cause Forward—In Commemoration of the 120th Anniversary of Lenin's Birth"]

[Text] Lenin was a great Marxist full of creativity. In the imperialist period he put into practice—under the post-First World War historical conditions—the Marxist theory of proletarian revolution and the Marxist assertion that the capitalist system will definitely be replaced by the socialist one and founded the first socialist country in the world. He waged a firm struggle against the opportunism in the Second Comintern which, in the name of Marxism, betrayed Marxist revolutionary principles. He ushered in a new era in the international proletarian revolutionary movement.

After winning the October Socialist Revolution, the Bolshevik Party led by Lenin went on to offer preliminary experience to the formation of new socialist societies. Lenin was full of confidence in the victory of the socialist-communist cause. But at the same time he did

see the difficulty in socialist construction. He said time and again that this "is far from being a smooth and linear course." Generally speaking, setting up a society that differs from all previous systems of class exploitation in human history is a completely new cause. If the shift from one exploitative society to another in the past has always been full of problems and frustrations, such as seen in the 100- or 200-year interlaced struggles for replacing the feudal system with a capitalist one in many countries, then setting up a socialist system will require a much greater effort. Specifically speaking, as Russia had been a backward European country, Lenin held that "Compared with advanced countries it is easier for the Russians to start a great proletarian revolution but harder for them to carry it forward to a final victory, i.e., to fully establish a socialist society."¹

When the armed intervention by imperialist countries and the reactionary civil war had been shattered and the task of socialist construction was confronting the Russian people, Lenin said: "In such a new, challenging but great cause, shortcomings, mistakes, and lapses are inevitable. Whoever fears the difficulties in socialist construction will flinch from them; whoever loses hope or panics at these difficulties makes no socialist." "We must throw all our energy into this work. Tenacity, perseverance, determination, decisiveness, ability to test and revise repeatedly, not stopping until the goal is reached...these proletarian qualities are the guarantee of the success of the proletariat."²

Lenin started the implementation of a new economic policy in early 1921. In October of that year, he said: "We have scored some achievements in this area. Though minor and limited, they are genuine achievements after all. We are about to finish the preparatory course on this new 'subject.' So long as we firmly and tenaciously continue our study, assess each step we make with our practical experience, do not hesitate to make repeated changes on the work that has already been started, do not hesitate to correct our mistakes, and carefully explore the implication of these mistakes, we will surely be able to move up to the higher class and then finish the whole 'course.' Though the international economic and political situation has made the study on this course last much longer and much more difficult than we have expected,...we will never lose heart and are determined to carry our cause forward to a final victory."³

In addition to the above, it is necessary to make another quotation from what Lenin said in 1922: "If some Communists think that making no mistakes, taking no step back (for more energetic leap forward), and not redoing what is yet to be finished or has been wrongly done will suffice for accomplishing such a historic 'cause' of the world as establishing a socialist economic basis, then we must say that these Communists are definitely done for. There are also some Communists who are neither illusioned nor disheartened. They always maintain the dynamics and flexibility of their organisms and are prepared to confront again the most difficult task

'from the very beginning.' Such Communists are not done for and probably will never be done for."⁴

When studying Marxism-Leninism, we mainly study its stand, viewpoints, and approaches. The stand of Marxism-Leninism is the equivalent of a firm proletarian stand which finds expression in what Lenin described as the quality of not losing hope in face of difficulties, not panicking at drawbacks and mistakes in their work, being able to learn from practical experience, not hesitating to redo what is yet to be finished or has been wrongly done, and not stopping until the goal is reached.

The firm proletarian position is inseparable from the Marxist theory of scientific socialism. On the old pages of human history, socialism and communism were nothing but the object of some good and honest people's wishful thinking. Marx and Engels for the first time turned this dream into a science. They started with an analysis of the inherent contradictions in the capitalist society and explained that a society that terminates class exploitation is bound to replace the capitalist society which is at the highest stage of class exploitation. Naturally, there are extremely confusing complications involved in the concrete expression of the basic law of social development that they have proved in a scientific way. Lenin said: "Marx and Engels, when predicting that the opportunity for revolution would soon turn up...were often mistaken."⁵ But they never predicted when the whole of the capitalist society would crumble. Engels said in 1891: "Such a decadent and outmoded building" as the capitalist society "may well be able to keep up for some dozens of years more if the wind is mild and the climate stable."⁶ What Marx and Engels did was inferring the inexorable trend of social development from past historical experiences and their scientific analysis of real life, and pointing out what people should do to realize this trend. A historical period is a must for a full realization.

Under Lenin's brave and resolute leadership, the efforts to win a socialist revolution in a single country succeeded. He fully estimated the strength of both domestic and international enemies and the inevitable setbacks and mistakes in pioneering a new historical cause. He said: Let our enemies "hurl countless curses, invectives, and words of scorn at our setbacks and mistakes in constructing our Soviet system. Not even for a minute have we forgot that we did and we do have a lot of setbacks and mistakes. In such a cause as creating an unprecedented state system, could there possibly be neither setbacks nor mistakes at all? We must make unrelenting efforts to reverse these setbacks and mistakes and change the situation wherein our application of the Soviet principle is far from perfect."⁷ It is obvious that without this indomitable spirit—i.e., the firm proletarian stand—it is impossible to found this new historic cause of the world.

Nearly 70 years has passed since Lenin died. The victories of socialism in many countries and the successes of national liberation struggle have further pointed to the

correctness of Marxism-Leninism. On the other hand, the number of setbacks and mistakes in the course of socialist construction has been much greater than Lenin expected. Of course, we should not require our predecessors to prophesy what specifically happens later. We should say that just as anticipated by Lenin, this new historic cause of the world has in no way followed a smooth, linear path without twists and turns.

The CPC in its past revolutionary experiences has suffered more than one serious setback and failure. History has shown that it can draw a lesson from its failures and setbacks, correct its mistakes, overcome difficulties, and win the victory in the end. In the course of socialist construction, we have had both remarkable successes and many lapses and mistakes. Some bourgeois liberals always seize on such lapses and mistakes, especially those made during the "cultural revolution," attacking us with "countless curses, invectives, and words of scorn" as described by Lenin. They place their hope on the failure of our socialist cause. But, as a matter of fact, our party redressed the serious mistake of "cultural revolution" and then laid down a line centering around economic construction and upholding both the four cardinal principles and the reform and open policy. This has pushed the socialist cause in China a step further and generated many new achievements in the past 10 years. In China, a previously backward country in terms of economic and cultural bases, constructing socialism is naturally a most uphill thing to do and we need to study again and again what should be done through practical experiences. To borrow the above-mentioned metaphor that Lenin used in 1921, we may say that we are now finishing the "preparatory course" and stepping into a higher class. But we still have many new subjects to study, loads of obstacles to remove, numerous difficulties to overcome, and a lot of complicated struggles to carry out.

The recent instances of international unrest is a further proof that ushering in a new epoch in history is indeed no smooth sailing and will meet with unexpected frustrations and setbacks. There are two attitudes toward this: One is panicking and losing heart; the other is carefully studying these frustrations and setbacks and pressing ahead in an indomitable way. The latter is a proletarian quality, as phrased by Lenin, and the stand that a Communist should take. There is a lot to study in the legacy of Lenin's thought and cause. I have only quoted some of his remarks in commemoration of this great revolutionary. We should take such a firm stand. Then we will be able to uphold the right principles, maintain the dynamics and flexibility of our organisms, and carry forward our cause to a final victory no matter how capricious the international climate is, how many hardships and frustrations we will have to go through, and how hard our international and domestic enemies try to change our orientation.

Footnotes

¹ "Complete Works of Lenin," Chinese Version, Second Edition, Vol. 36, pp 293-294. This edition is also the source of all the ensuing citations from the "Complete Works of Lenin." ² "Complete Works of Lenin," Vol. 38, pp 343-344. ³ "Complete Works of Lenin," Vol. 42, p 177. ⁴ "Complete Works of Lenin," Vol. 42, p 450. ⁵ "Complete Works of Lenin," Vol. 15, p 215. ⁶ "Complete Works of Marx and Engels," Vol. 38, p 186. ⁷ "Complete Works of Lenin," Vol. 42, pp 172-173.

XINHUA Features Article on Nationalities

On Gaoshan Nationality

OW1205231090 Beijing XINHUA in English
1533 GMT 12 May 90

[20th in the series "Knowledge About China" which began 16 April]

[Text] Beijing, May 12 (XINHUA)—The Gaoshan nationality has a population of about 400,000.

The Gaoshans mainly live in Taiwan Province, but some 1,600 of them are scattered along the mainland's south-east coast.

In Taiwan the Gaoshans, the first inhabitants of the island, only make up two percent of the total population today.

They have their own spoken language, divided into a number of dialects, but no written form.

They are subdivided into tribes known as the "Amei," "Taiya," "Paiwan" and so on.

There are different theories about the origin of the Gaoshan Nationality. The most popular one holds that they are a branch of the "Guyue People" from the southeast of the Chinese mainland who intermingled with people from the Ryukyu Islands. It was only in 1945 that China began to call these people "Gaoshan".

Most of them are engaged in agriculture, but some are fishermen, hunters and herdsmen.

The Gaoshans have maintained many of their traditions and customs, like tattooing and piercing their ears.

The Gaoshans are skilled at carving, painting and making pottery. Singing and dancing are an indispensable part of their celebrations during festivals. The "sacrificial dance" and "drinking dance" are the most typical Gaoshan dances.

On Gelo Nationality

OW1405110190 Beijing XINHUA in English
1020 GMT 14 May 90

[21st in the series "Knowledge About China" which began 16 April]

[Text] Beijing, May 14 (XINHUA)—The Gelo nationality has a population of over 53,000 people, most of whom live in Guizhou Province and the rest are scattered in the Guangxi Zhuang Autonomous Region and Yunnan Province.

The Gelos have their own language, which has many dialects and no written form. But nowadays only one fourth of them speak it, and the Han language has become the major means of communication.

The Gelos are primarily engaged in farming, with corn, rice and wheat as their main crops. They are well known for their skill in iron forging.

The Gelo people have a culture rich in poetry, legends and proverbs, which have been passed down in oral form from generation to generation. Their folk songs include nursery rhymes, drinking songs and mourning songs.

The spring festival is the biggest holiday of the year for this minority group. From the first to the 15th day of the first month of the Chinese lunar calendar, various kinds of traditional sports and recreational activities are held, including horse-racing, dragon dancing and swinging.

TV Series on 4 Cardinal Principles Previewed

OW1205122590 Beijing XINHUA in English
1152 GMT 12 May 90

[Text] Beijing, May 12 (XINHUA)—A new four-episode TV series, "The Century in Retrospect", had its preview at the Great Hall of the People here this afternoon.

The series, subtitled, "A Forum on the Four Cardinal Principles", was co-produced by the Propaganda Department of the Chinese Communist Party Central Committee and the propaganda bureau of the Shenzhen municipal party committee.

The four cardinal principles, China's basic state policy, are adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Communist Party, and to Marxism-Leninism and Mao Zedong Thought.

The 200-minute-long series reviews the history of Marxism, the international communist movement and the Chinese revolution. It stresses the significance of adhering to the four cardinal principles and the policy of reform and opening to outside world in China's socialist construction.

Yang Po, executive producer, said that the TV series combines historical materials and real life experiences to make it more appealing to general audiences.

Science & Technology

Results Achieved in Satellite Communications

OW1505063390 Beijing XINHUA Domestic Service
in Chinese 1544 GMT 14 May 90

[By RENMIN RIBAO reporter Xu Zhengzhong (6079 2973 0022) and XNA apprentice Peng Hong (1756 4769)]

[Text] Urumqi, 14 May (XINHUA)—It has been learned from a national on-site meeting on summing up and disseminating the pilot application project of satellite communications, which just ended here, that after three years of intensive construction, the pilot application project for satellite communications across the nation was accomplished recently. This is an indication that China's domestic satellite communications will begin to enter a new stage of large-scale application and development.

This pilot project was jointly organized and implemented by the Office for the Promotion and Application of Electronic Information Systems under the State Council, the State Science and Technology Commission, the Ministry of Posts and Telecommunications, the Ministry of Machine-Building and Electronics Industry, and the Ministry of Aeronautics and Astronautics Industry.

Satellite communications are burgeoning high technology for transmitting information and have experienced rapid progress in recent years. Such communications has many advantages, such as a large transmission capacity, high-quality communication, and freedom from the influences of topographical conditions and natural disasters. In 1987, the State Council decided to initiate the pilot application work of satellite communications across the nation. Premier Li Peng has been paying particular attention to the project. He has heard many reports by relevant ministries and commissions and made a series of important instructions.

Over the past three years, central and local authorities have invested a total of more than 12 million yuan and built small volume satellite communications ground stations in 12 prefectures, autonomous prefectures, and cities in the frontier provinces and regions including Xinjiang, Inner Mongolia, and Tibet. At present, construction for such stations has basically been finished and most of the network has been connected and put into trial operation. The completion of satellite communications ground stations in Tibet's Ngari and Qamdo ends the history of no communications lines between Lhasa and these two places. The medium-scale volume, digital control, and multichannel pilot project of satellite communications ground stations which connects Urumqi and Guangzhou was accomplished recently. A public network of satellite communications has begun to form in Xinjiang. In light of directly applying satellite communications to the service of the national economy, the state has also invested in establishing a major station of

digital control satellite communications. In addition, it has set up 34 small digital control satellite communications stations in eight departments, including the State Information Center, the Agricultural Bank, the Ministry of Railways, and the Civil Aviation Administration of China, to conduct a test of information transmission for interdepartmental business command, administration, and statistical data. This project has gained excellent economic results and social effects.

The pilot application project of satellite communications has vigorously promoted the development and production of China's satellite communications equipment. At present, China has initially formed a key contingent that is equipped with the ability to develop satellite communications technology and produce its equipment. The number of plants, institutions, and colleges across the country that can develop satellite communications equipment numbers more than 20. Under the guidance of the principle that China should develop by itself and assimilate the technology imported from abroad, China has produced a series of communications products that can meet domestic demands and enter international markets. Some products have begun to be exported.

Hydropower Station Design Passes Assessment

OW1405182990 Beijing XINHUA in English
1417 GMT 14 May 90

[Text] Hangzhou, May 14 (XINHUA)—The tentative design for the Tianhuangping Pumped-Storage Hydropower Station, the largest of its kind in China, passed technical assessment here today.

Located in Anji County of Zhejiang Province, the power station has a designed generating capacity of 1.8 million kw.

Experts say the power station, which will cost an estimated 1.6 billion yuan, will ensure the smooth and reliable operation of the electric grids in east China.

Economic & Agricultural

Scholars Examine Planned Economy, Market

HK1405140190 Beijing JINGJI RIBAO in Chinese
20 Apr 90 p 1

[Report by Jia Dechang (6328 1795 2490): "Specialists and Scholars on Integration of Planned Economy and Market Regulation"]

[Text] On 13 April, the editorial department of this newspaper invited several specialists and scholars to a forum on how we should launch a discussion on integration of planned economy and market regulation. Among the participants were: Wang Mengkui [3769 1125 1145], deputy director of Economic Research Center of the State Planning Commission, Wei Liqun [7614 4409 5028], director of Department of Laws and Regulations

for Structural Reform of the State Planning Commission, Zou Shungeng [6760 5293 5087], deputy bureau chief of Production Coordination Bureau of the State Planning Commission, Zhan Wu [6124 2976], standing committee executive of the Research Society for Restructuring Chinese Economy, Chen Kaiguo [7115 7030 0948], former deputy director of the press office of the State Council Rural Development Research Center, and Wei Xinghua [5898 5281 5478], professor at Chinese People's University. The participants proposed very good ideas on the problem of integration of planned economy and market regulation and on the contents, key points, steps, and methods of launching a discussion on this problem. The following is a roundup of their speeches during the forum:

The Integration of Planned Economy and Market Regulation Is an Important Topic

The participants think that integration of planned economy and market regulation is a big problem of building socialism with Chinese characteristics that has been discussed for years. Wang Mengkui said: The achievements in, and the problems arising from, our practice of economic work for several decades are mostly related to whether we could handle the relations between planned economy and the market properly, and this is related to our success or failure. Now, there is still no conclusion on the understanding of this problem. It is because practice and understanding are evolving. We must continue discussing this problem and improving our understanding of it.

Not long ago, some people abroad thought that our reform would perhaps go backward—that is, we are going to run a traditional planned economy; at home, some people think that the current practice is a retrogression. In his government work report read to the Third Session of the Seventh National People's Congress, Premier Li Peng discussed the problem of integration of planned economy and market regulation, raising several explicit points. Wei Liqun and Wei Xinghua said: The integration of planned economy and market regulation we are now talking about is distinguished from the past model of planned economy which was characterized by a high degree of centralization and excess control and from the model of market economy of the capitalist country. And that is to say, we would neither run the traditional planned economy, nor the capitalist market economy, but would integrate organically the strong points of planned economy and the strong points of market regulation, and build an operational economic model that is suited to China's situation. This is a clear answer to the worries and doubts of some people at home and abroad.

Wang Mengkui said that plan can maintain a comprehensive balance of national economy, but if it is not properly run it will lead to excess control, and that market mechanism can regulate supply and demand in a flexible way, but if it is not properly run it will lead to chaos. This indicates that both plan and market have

strong points, as well as weaknesses. When we propose integration of planned economy and market regulation, it means that we want to take the strong points while avoiding the weaknesses, and that we do not want to take the weaknesses while abandoning the strong points, or even to integrate the "weaknesses" of the two.

Wei Liqun thought that in Premier Li Peng's government work report, which was delivered at the Third Session of the Seventh National People's Congress, there are four new implications concerning integration of planned economy and market regulation when the elaboration is compared with the past proposals: First, in the past, it has been alleged that a mandatory plan would shrink more and more and even diminish. This time it has been explicitly raised that a mandatory plan is one of the important forms of integration of planned economy and market regulation, and at least at present and in a certain period to come, we have to maintain a certain proportion and scope of a mandatory plan. Of course, this kind of mandatory plan must also consider the relations of supply and demand in the market, and consciously apply the law of value; second, in the past, the guiding plan was raised only in principle, but this time, it has clearly been stated that the guiding plan has certain restraining power, pointing out the direction and target for economic activities, and relying on economic policy and economic levers to realize them; third, in the past, market regulation was proposed in general terms, and its meaning was not clear. This time, it has been clearly stated that the market regulation we are talking about is carried out through handling relations between supply and demand in the market, and through changes in price, under the guidance of the country's overall plan and the restraints of rules and regulations; fourth, in the past, discussion was focused on the problem of who is the master and who is the helper among planned economy and market regulation, while this time this problem has not been mentioned, but it has been clearly stated that the concrete application of the form of integration and the proportion relations should differ according to the nature of different ownership systems, different enterprises, different social production links and domains, and different industries and products, while it is also necessary to be adjusted and perfected according to the actual situation of different periods. A serious understanding of these four points is beneficial to a profound understanding of the problem of integration of planned economy and market regulation.

To Understand the "Integration" in Terms of Three Levels

Wei Xinghua said: The proposal of "integration of planned economy and market regulation" has embodied in a comparatively precise way the relations between plan and market under a socialist economic system. Capitalist countries also face the problem of how they should handle the relations between plan and market. The way in which we raised the problem means that we do not confine our attention only to economic structure, but that we consider the problem in terms of the whole

economic relation and economic system, avoiding mixing it up with the problem of relations between plan and market of a capitalist country.

Zhan Wu thought that it is necessary to deepen understanding of such a proposal in terms of three levels: First, we should understand planned economy in a broad sense. The characteristics of a socialist planned commodity economy are development based on plan and proportion, so as to attain and maintain macroeconomic balance. This means ability to attain balance between total supply and total demand, or, the four major balances among revenue, loans, foreign exchange, and materials, and this embodies the law of socialist economy. When there is macroeconomic balance, plan can be attained, market mechanism can function normally, price signal will not be distorted, and enterprises can carry out fair competition in market. On the contrary, if macroeconomic balance is disrupted, and if proportional relations are seriously dislocated and inflation is persistent, then there is no way we can talk about plan, and market mechanism will be distorted, while plan and market cannot be integrated. In addition, work in plan—including mandatory plan and guiding plan—must consider the relations between supply and demand, and consciously apply law of value. In particular, guiding plan is not compulsory, and functions mainly through economic policy and economic levers. We now discuss the proper understanding of market regulation. The market regulation we are talking about is, first, built upon the basis of a public ownership system, and second, built by the state in a planned and organized way; it must be adjusted and managed by policy, plan, economic levers, and rules and regulations. For example, our means of production market, funds market, labor market, and technology market are not spontaneous, but are established by the state in a planned and organized way, and their market functions are performed while being regulated, controlled, and managed by the comprehensive application of economic, legal, and administrative means adopted by the state, so as to reduce blindness.

One of the Important Links of "Integration" Is Effective Implementation of Guiding Plan

The participants thought that Premier Li Peng's government work report, which was delivered at the Third Session of the Seventh National People's Congress, had discussed concretely the three forms of integration of planned economy and market regulation: Mandatory plan, guiding plan, and market regulation. This discussion is a breakthrough in theory. Wei Xinghua and Wei Liqun said that these three forms of integration are unified and each is indispensable. But the critical one is the guiding plan. Whether the issue of integration of planned economy and market regulation can be handled well in China depends on whether there can be any breakthrough in the aspect of a guiding plan. The breakthrough of a guiding plan again depends on how the economic levers can be better used in coordination.

Wei Liqun said that a guiding plan has been proposed for seven or eight years, and in our practical work there is also a guiding plan, but it tends to become a mere formality; it either becomes a mandatory plan or market regulation. Last year, the Department of Laws and Regulations for Structural Reform of the State Planning Commission carried out a large-scale survey on production in the whole country and discovered that in the whole country, mandatory planning amounted to only 17 percent, guiding planning listed in various departments of the State Council and in the plans of various cities and provinces amounted to 43 percent, while market regulation amounted to 40 percent. Although guiding planning accounted for such a large proportion, in reality it has changed shape. Therefore, the problem of how the guiding plan should be handled awaits further exploration by theoretical circles and departments engaging in practical work.

We Cannot Ignore the Noneconomic Factors That Hinder "Integration"

Chen Kaiquo said: Our socialist construction has been carried out for more than 40 years. There are stages in this period of 40 years, and each stage has its own characteristics. On the whole, socialist economy has advanced ahead. The emergence of some characteristics in a certain stage is because of the function of noneconomic factors, other than the economic ones. For example, the "Great Leap Forward" of 1958 was mainly a result of mistakes in decisions; the panic buying of 1988 was due to both mistakes in decisions and the people's confused minds and psychological factors. Before this, for more than 30 years our people were accustomed to price stability and had not experienced any fairly big changes in price; they were mentally unprepared and psychologically vulnerable. At that moment, the increase in prices of several commodities such as wine and tobacco caused repercussions in the minds of the consumers, and then there was the proposal of "rocking the price gate," and people became more threatened; therefore, one after another they withdrew money and started panic buying. For example, the swelled scale of capital construction has been caused by the factors such as seeking quick results, and motivated by the "IOU projects," the "directors projects," and short-term interests. Of course, these three examples involve economic and structural factors, but there are noneconomic factors that cannot be ignored. To practice integration of planned economy and market regulation, we must on the one hand consider economic factors, and on the other consider noneconomic factors. To ponder the problem from a purely economic angle, we might not attain the anticipated purpose.

At present, to practice integration of planned economy and market regulation, we must seriously consider the features of the practitioners, including local governments, entrepreneurs, and peasants. In the past, people were accustomed to following directives and plans, but now it is different. Localities enter into contracts of finance, enterprises run contracting systems, and villages follow contracting system of responsibility linked to production; local governments, enterprises, and peasants have expanded autonomy, and the

problems of local economic interests and business interests are more acute than they were in the past. If things are handled according to the old customs, they might not work. Because, under the new conditions, in the course of implementing the orders of the central authorities, certain distortions will usually appear. The plans and intentions of the central authorities will change shape more or less when they reach various localities, departments, businesses, and enterprises; the practitioners perhaps want some discounts, or utilize the central policy to engage in something which they themselves find necessary. In addition, because the market in our country is not quite developed up to now, and market regulation are imperfect and management is inadequate, people's behavior in the market is not standardized. A market that is not standardized disrupts market principle and the economic plan as well. Whether we are drafting a plan or practicing market regulation, we must have a means in view of the situation, fully consider these noneconomic factors, and confine plan and market regulation to certain "degree"—otherwise, starting from merely ideal programs, and ignoring these objective conditions, both plan and market can hardly perform their functions, and a proper integration of both cannot be attained.

Looking at "Integration" in the Rural Areas From a County

The participants think that it is of crucial and practical significance to concretely study how they can attain organic integration of planned economy and market regulation in a rural economy. Zhan Wu cited the experience of Shandong's Shouguang County, which is a model for analysis, illustrating how the "integration" can be carried out in the rural areas. Shandong's Shouguang County has developed quickly during the recent years of reform. The main experience is that it has grasped the integration of planned economy and market regulation; economic development is planned, of course, and great importance is also attached to bringing market mechanisms into full play. First, they established a wholesale market of vegetables, grasped circulation, and promoted production, enabling the original output of 350 million kg of vegetables to rise to the current 1.2 billion kg. At present, the vegetable wholesale market of Shouguang County has become one of the largest such markets in the whole nation and a national distributing center with vegetables that are sent there from many provinces for trade deals. Recently, Beijing City also intended to cooperate with the county to run a forward market of vegetables. Vegetables have become the starting industry for bringing wealth to Shouguang County, which along with vegetable production has promoted grain production and then activated exploratory agricultural production, while enhancing development of the salt business and the shrimp-breeding industry. They also used agricultural and sideline products as a parent industry to activate the subsidiary processing industries of agricultural and sideline products, with each link promoting the other link, giving an impetus to economic development in the whole county, with higher speed, better returns, and more stability. In recent years, grain output in the whole nation appeared to be hovering at the same level, but Shouguang

County maintained the trend of sustained growth. Shouguang County has adopted the following concrete measures when carrying out integration of planned economy and market regulation: 1) In the process of improving rural economic structure, it takes the strategic plan for socio-economic development as guidance, and promotes the realization of the plan with market regulation and other means. It means that this county's strategic plan for development has embodied the guidance of planned economy (less mandatory plans at the county level, and most plans are guiding plans), and at the same time, it uses market regulation and other means to promote the realization of the strategic plan. 2) It established in a planned and organized way a market system with wholesale market of agricultural and sideline products as the backbone, and at the same time-strengthened management, regulation, and control, to save it from wandering its own way. 3) It organizes multichannel circulation on the one hand and develops the function of main channel of state-run enterprises on the other; it promotes circulation and stabilizes the market, enabling circulation and production to correspond to each other. 4) It develops a socialized service system in a planned way to promote the concrete implementation of integration of planned economy and market regulation.

Importance Attached to Considering Practical Situation and Summing Up Experience

The participants agree to JINGJI RIBAO launching discussions on integration of planned economy and market regulation, and think that it is meaningful to launch this kind of discussion. If the discussion is launched well, it will give an impetus to solving the current economic problem and to future reform and development.

The participants think that to launch a discussion on the newspaper, there must be a clear aim. Integration of planned economy and market regulation is a very complicated problem, theoretically and practically, and the short-term discussion launched by the newspaper cannot solve the controversy that has been debated long in academic circles. Therefore, the discussion this time should follow the principle of being practical, by proposing a limited goal to clarify people's confused understanding, enabling them to see more clearly the problem of integration of planned economy and market regulation in terms of theory, and to have a way to follow when doing practical work. To achieve this goal, attention must be paid to linking theory to a practical situation and avoid falling into general debates without contents. Wei Liqun and Zou Shungeng said that linking to the practical situation means raising questions by looking at the current reform and development to launch discussion. In concrete terms, we may consider the following: First, sum up the positive and negative experiences of 40 years of socialist economic construction in our country and propose the "degree" to which planned economy and market regulation is to be integrated; second, look at some important aspects of economic life, and this includes grasping several important products that have an important bearing on the people's lives and the

country's development, such as grain, cotton, coal, steels, some chemical raw materials, and railway transport etc., to analyze the way in which these products engage in integration of planned economy and market regulation amid production and circulation. Also, it is necessary to discuss how the application of economic levers such as revenue and loans can implement effective macro-level regulation and control and serve to accomplish the country's plans and industrial policies; third, by investigating the model units that have done well in integrating plan with market, and by summing up their experiences, to answer the question of how plan can be integrated with market organically in a district, a city, or an enterprise. Through summing up experience, and by linking theory to practical situation, to clarify the main problem. For example, what is the basis for integrating planned economy with market regulation? What are the nature, status, and function of the three forms of integration? How should we understand that there are stages in the form, scope, and method for integration of planned economy and market regulation? How do we operate in various aspects and domains? What are the conditions for integrating plan with market? How can we build a macro-level regulatory and control system in which the country's plan is the main reference while economic, legal and administrative means are comprehensively used? To discuss it in this way, it is helpful to solving the problem of understanding among the people, and it can promote practical work.

Zou Jiahua Inspects, Affirms Tianjin's Work

OW1405144290 Beijing Television Service in Mandarin 1000 GMT 7 May 90

[Announcer-read report over video from the "National News Hookup" program]

[Text] [Video opens with a long-range shot of Zou Jiahua and a group of cadres, all wearing yellow safety helmets, walking into a workshop.] From 3 to 5 May, State Councillor Zou Jiahua, concurrently minister in charge of the State Planning Commission, led responsible persons of the State Council's departments concerned to conduct investigation and study in Tianjin and handle official business on the spot.

While in Tianjin, Zou Jiahua heard a report on the work of Tianjin and went to the construction sites in Tianjin Weixing Auto Plant, Tianjin Petrochemical Corporation, Tianjin Harbor, Tianjin Economic and Technical Development Zone, and Tianjin Seamless Steel Tube Plant to conduct investigation and study. Zou Jiahua fully affirmed Tianjin's great efforts over the past few years in grasping construction of urban infrastructure, developing export-orientated economy by using the geographical advantages of the sea coast and harbor, and paying great attention to the marketing of products.

Zou Jiahua made important remarks on fulfilling the Eighth Five-Year Plan well and making suggestions for the coming 10-year plan. He said: It is necessary to uphold the principle of developing the national economy

in a sustained, stable, and coordinated way. It is necessary to keep to the reform direction, correctly implement the principle of integrating a planned economy with market regulating, and correctly handle the relationship between the national and local economies.

Zou Jiahua said: The suggestions for economic development made by Tianjin Municipality are correct. Tianjin's advantages are numerous. Using these advantages is in line with the Tianjin Urban Overall Development Plan approved by the State Council. By doing so, Tianjin will develop faster and better and spur economic development in areas around Tianjin and its hinterland.

Report on Grain Production Shows Increase

HK1405131390 Beijing RENMIN RIBAO in Chinese
30 Apr 90 p 1

[Report: "Grain Production in the Five Provinces and Regions in Northwest China Has Increased Steadily"]

[Text] An adverse ecological environment and backward production conditions have brought a lot of unfavorable objective factors for grain production in the five provinces and regions in northwest China including Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang. However, since the Third Plenary Session of the 11th CPC Central Committee, and in recent years in particular, reports of success on their grain production have kept pouring in. —Since 1980, Xinjiang has increased its grain production for nine years in succession. It is also the first region that has kept increasing its grain production for nine years in succession.

- In 1988, although grain production in the whole country generally dropped, grain production in Gansu, Qinghai, Ningxia, and Xinjiang reached a record high.
- In 1989, there was another gratifying breakthrough in the grain production of the five provinces and regions in northwest China, and their total grain production again reached the highest level. Shaanxi province overcame the fluctuating situation over the past six years, and its grain production output was 591 million kilos more than 1984, which was a bumper harvest year. Grain production output of Gansu, Qinghai, Ningxia, and Xinjiang in 1989 was also higher than in 1988.
- This year the five provinces and regions in northwest China have planted more than 60 million mu of summer grain crops. The acreage under summer grain crops has greatly increased this year, and the crops are doing well. Another bumper harvest can be expected again. Apart from good weather conditions, such great achievements in grain production of the five provinces and regions in northwest China in recent years should be attributed to hard work done by the people.

First, CPC committees and governments at all levels in the five provinces and regions in northwest China suffered a lot from the shortage of grain. They have been grasping grain production as a matter of primary importance that is connected with the issue of providing people with sufficient food and clothing. It has been included as an important item in the agenda of work of governments at all levels. Responsibility systems based on targets is being implemented at all levels. Efforts are being made to grasp grain production through to the end.

Second, efforts are being actively, steadily, and persistently made to improve conditions for agricultural production. This has laid a sound foundation for grain production, to a certain extent. In view of the natural conditions of a great quantity of hilly land, and the serious situation of water, fertilizer, and soil erosion over the past 10 years, Gansu provincial CPC Committee and government have been leading people of the whole province to work hard to extensively carry out capital construction on farmland. By 1989, a total of 14.55 million mu of new terraced fields and dams were built, 12 million mu of which were the terraced fields. Xinjiang has persisted in promoting irrigation and water conservancy for many years, and its agricultural irrigation has developed considerably. Xinjiang has also enhanced its capability in resisting natural calamities. Shaanxi province has developed a new grain base on the dry land area located in the northern part of the Wei He and has paid close attention to the development of grain production bases. All this has greatly changed grain production conditions in the dry land area. At present the dry land area located in the northern part of the Wei He has become a number two "granary" of Shaanxi.

Third, more investments have been made in grain production in terms of materials and goods, science and technology, and so on to enhance grain production capability. In the course of implementing the policy for grain production, the five provinces and regions have also tried in every possible way to increase investments in agricultural production in terms of funds, goods, and materials for agricultural use. Although Shaanxi province faced very difficult financial conditions in 1989, 30 percent of its funds raised in a unified way for capital construction, 30 percent of its income in foreign exchange, and 20 percent of its newly increased financial revenues were used to develop agriculture and grain production. To popularize in a more extensive way the skills for increasing production, in recent years the five provinces and regions in northwest China have been implementing the large-scale technological contract system and carrying out the emulation activities aimed at ensuring a bumper harvest. Improved breeds of crops, standardized cultivation, prescribed application of fertilizer, covering seedlings with plastic films, and so on, which are practical technology for increasing production, have been popularized on a larger scale.

East Region**Third Session of Anhui People's Congress Closes**

OW1305181990 Hefei ANHUI RIBAO in Chinese
26 Apr 90 p 1

[By ANHUI RIBAO reporter Ni Zhimin (0242 1807 2404)]

[Text] After having satisfactorily dealt with all of the items on the agenda, the Third Session of the Seventh Anhui Provincial People's Congress concluded successfully at the Anhui Theater on the afternoon of 25 April.

The participants in the meeting urged people of all nationalities in Anhui to rally under the leadership of the Anhui Provincial CPC Committee; to focus on economic construction; to uphold the Four Cardinal Principles; to adhere to the reform and open policies; to work hard for national prosperity; to overcome difficulties; and to strive for the successful completion of the various tasks of this year and for political, economic, and social stability.

Wang Guangyu, permanent chairman of the presidium, chaired the meeting. Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tingyuan, Yang Jike, Chen Tianren, and Du Hongben served as executive chairmen.

Seated on the rostrum were Lu Rongjing, Fu Xishou, Shi Junjie, Meng Fulin, Yang Yongliang, Hou Yong, Liu Guangcai, Wang Shengjun, Shi Lei, Shao Ming, Long Nian, Wang Sheyun, Du Yijin, Wu Changqi, Xu Leyi, Wang Zenong, Sun Youqiao, Pan Ezhang, Ma Leting, Guang Renhong, Teng Maotong, Meng Yiqi, Liu Yiping, Zao Huaishou, Li Yuanxi, Wang Chengle, Feng Jianhua, and other presidium members. Veteran Comrades Li Shinong and Zhang Kaifan were also seated on the rostrum.

Li Jide, Zhang Lizhi, Jiang Dexin, and Fu Cuihe were elected by secret ballot to the seventh provincial people's congress standing committee.

Participants in the meeting adopted by a show of hands the "Rules of Procedure of the Anhui Provincial People's Congress," and resolutions on the government work report; the implementation of Anhui's 1989 socioeconomic development plan; Anhui's 1990 socioeconomic development program; the implementation of Anhui's 1989 budget and Anhui's 1990 budget; and reports on the work of the Anhui Provincial People's Congress Standing Committee, the Anhui Provincial Higher People's Court, and the Anhui Provincial People's Procuratorate.

The meeting concluded amid the majestic music of the national anthem.

Commentator's Article on Public Security

OW1405134790 Hefei ANHUI RIBAO in Chinese
2 May 90 p 1

[Commentator's article entitled: "Fully Mobilize the Masses To Do a Good Job in Public Security"]

[Text] Currently, stability is our overwhelming concern. The most fundamental approach to doing a good job in improving the economic environment, rectifying economic order, and deepening reform, as well as in concentrating on pushing the national economy forward is to maintain a stable overall situation and long-lasting peace in the country. In order to solve the problems currently existing in our public security, we must be determined to do a good job in public security work and effectively attack and prevent criminal activities jeopardizing public security to enable the situation of public security to take a better turn. This is an important link for maintaining a stable overall situation.

Party and government leaders at all levels in the province have paid more attention to public security this year and done a lot of work. Generally speaking, the situation in our province is stable, and public security is good. However, we must be soberly aware of the fact that the current public security situation is still very grim. The glaring situation can be found in an increase in criminal activity, repeated occurrences of serious crime, and being unable to stop vile social evils, extremely abhorrent to the people, despite repeated prohibition. This situation not only endangers the security of people's life and property, but also affects the stability of public morale. If we fail to stop the spread of such evil influences, it will inevitably hinder the normal production, work, and order of life in society, destroy the good environment necessary for improving the economic environment, rectifying economic order, and deepening reform, which, in turn, will endanger the stability of the overall situation. Therefore, it is necessary to have a full understanding of the problems currently existing in public security. We should never take it lightly and believe that it is just an extremely small number of bad people doing evil things which will never lead to great turmoil.

In doing a good job in public security work, we must bring into full play the functions of all special organs. Departments such as public security, armed police, judiciary, and procuratorial work shoulder great and glorious tasks in cracking down on criminal activities and maintaining public security. They should spare no efforts to perform their duties, enhance the quality of their own ranks, and justify the great trust placed in them by the party and the people. However, because public security work plays an important part in vital interests of thousands upon thousands of families and, because the activities of criminal elements endanger the tranquility of society as a whole, we should rely on the people and follow the road of the masses. The great masses of the people harbor a strong moral indignation against criminal elements and urgently hope that the party and

government will lead them in a resolute struggle against these elements, punish these black sheep in accordance with the law, and destroy the arrogance of these bad people, so that we can have a social environment wherein everyone can live and work in peace and contentment. We shall always have true support from our people because we enforce the people's will to do a good job in improving public security. After all, criminal elements, particularly those perpetrating serious crimes, are just a small number of people. In fact, they are extremely isolated. Sometimes, bad people are so arrogant that there even appear such abnormal phenomena as "good people are afraid of bad people" and "are hesitant to do what is right." Such phenomena do not mean that the force of bad people is great, but simply that the people there have not yet been mobilized. We must forever keep in mind that the masses are an impregnable wall of bronze. The inexhaustible source for the strong force of the party and the people's government comes from the masses. We cannot do our public security work well if we do not rely on the masses wholeheartedly. Experiences gained from many places prove that if we really rely on the people, follow the road of the masses, and fully mobilize the masses to form a network of public security, wherein collective efforts by residents of urban and rural areas, as well as police and soldiers, are pooled in preventing crimes and straightening out social order, these extremely small numbers of criminal elements will fall into an inescapable trap where there is no room for them to hide or to perpetrate crimes. In this way, the public security situation will take a favorable turn.

Anhui Province Welcomes Foreign Investment

OW1305204190 Beijing XINHUA in English
1355 GMT 13 May 90

[Text] Hefei, May 13 (XINHUA)—Anhui Province in east China will continue to improve investment climate and offer preferential terms to overseas investors, vice-governor Wu Changqi said here today.

Wu made the remark while meeting diplomatic envoys from 30 countries on tour here.

He said that Anhui will simplify the procedures for the setting up of foreign-funded enterprises.

In addition to the state preferential policies, enterprises involving foreign investment will enjoy local preferential treatment regarding taxation, supply of energy, money and raw materials and land use.

Anhui Province has so far established economic, trade and technological cooperation relations with 130 countries and regions.

The province has reached agreement on more than 300 projects with overseas investors with a total contracted investment of 500 million U.S. dollars. The province has so far approved 130 foreign-funded enterprises.

Meeting Approves Reform in Xiamen, Fujian

OW1205183490 Beijing XINHUA in English
1535 GMT 12 May 90

[Text] Xiamen, May 12 (XINHUA)—Xiamen City, one of China's five special economic zones, has restructured its enterprise management and financial systems in recent years, a national meeting was told here today.

Xiamen's reform was praised at the meeting of representatives from the State Planning Commission, the State Commission for Restructuring the Economy, and the other 13 cities independently listed in state plans.

Xiamen, Chongqing, Guangzhou, Shenyang and 10 others are major cities independently listed in the state plan, which means that they enjoy province-level status in economic affairs.

Xiamen piloted tax restructuring among 67 industrial enterprises in January 1988, which separates taxes from profits handed over to the state. Their income tax was reduced from 55 percent to 15 percent. The new regulations have provided similar conditions of competition for the state enterprises, foreign-funded firms and co-operative enterprises.

In 1988 the output value, profits and fixed assets of those enterprises were increased by 15 percent, and 1989 saw another substantial growth.

Xiamen also allowed a Hong Kong company—Hip Lee Hong—to contract the operation of the Xiamen Optical Instrument Factory in May 1988; only Chinese firms and individuals were allowed to contract the operation of enterprises before.

With advantages in information, marketing and management, the Hong Kong company has reformed the personnel and wage systems of the factory and expanded its exports.

At present, a dozen Sino-foreign joint ventures are contracted by the foreign side. This has improved efficiency, according to local officials.

At the end of 1988 three domestic financiers co-operated with a Hong Kong firm to set up the first joint-venture bank in China, the Xiamen International Bank. The bank has since opened subsidiaries in Hong Kong and Macao, and offices in Fuzhou, Quanzhou, and Zhuhai. It has also issued loans to support the transportation, energy and raw materials industries, and export-led enterprises.

Meanwhile, the city was also among the pioneers in the transfer of land-use rights in June 1988. By the end of last year the city had leased 63 tracts of land measuring a total of nearly 500,000 sq m [square meters], 60 percent of it to overseas investors.

Since the beginning of this year Xiamen has selected five state enterprises to pilot a new management system with respect to foreign-funded firms. They now have more

decision-making power in the management of personnel, finance, production, supply and marketing.

Moreover, Xiamen has set up a local airline, technological, industrial and trade complexes, a Sino-foreign joint venture harbor and special development zones for Taiwan investors.

The meeting, which opened here today, is scheduled to close May 15.

Jiangsu Cadres Learn Guidelines of NPC Session

OW1205135390 Nanjing Jiangsu Provincial Service in Mandarin 0915 GMT 25 Apr 90

[By state reporter (Wang Yunsheng); from the "News" program]

[Text] The provincial party committee sponsored a meeting of cadres of provincial organs this morning at the Great Hall of the People in Nanjing. The purpose of the meeting was for the cadres to hear the guidelines of the Third Session of the Seventh National People's Congress [NPC]. These were relayed by Zhang Yaohua, vice chairman of the provincial People's Congress Standing Committee. The cadres also heard the guidelines of the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] relayed by Chen Minzhi, vice chairman of the provincial CPPCC Committee.

Chen Huanyou, deputy secretary of the provincial party committee and governor of Jiangsu, presided over the meeting. He put forward suggestions for studying and implementing the guidelines of the above-mentioned sessions. He pointed out: Serious efforts should be made to study the documents of the two sessions, in particular the government work report adopted by the NPC session after examination and discussion. While studying the documents, it is necessary to hold special-topic discussions in connection with the actual work in Jiangsu. In the days to come, the provincial organs should take the guidelines of the two sessions as important subjects to be studied. Leading comrades are especially required to take the lead in studying these guidelines.

Chen Huanyou said: It is necessary to continually enhance the sense of socialist democracy and the socialist legal system. The cadres should see to it that the reports, resolutions, and laws adopted by the NPC session are resolutely and strictly put into practice in their respective administrative areas. They should fully understand the systems of multiparty cooperation and political consultation under the leadership of the Communist Party and give full play to the role of democratic parties and patriots in the administration and discussion of state affairs.

Chen Huanyou stressed: To study and implement the guidelines of the two sessions, it is necessary to give prominence to stability, which is an issue concerning the overall interests; concentrate efforts on developing the

national economy; and achieve stable economic and social development. In addition, the study and implementation of the guidelines of the two sessions should be combined with the study and implementation of the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee. Moreover, leading organs and cadres at all levels should truly change their work style. They should forge close ties with the masses, go among the masses, make the masses aware of the cardinal policies of the party and the state, and discuss with the masses how to overcome difficulties. This will further improve the economic environment, rectify economic order, deepen reform, and help the masses firmly grasp and make a success of the current economic work.

Also present at the meeting were Sun Jiazheng, deputy secretary of the provincial party committee, and Sun Han, chairman of the provincial CPPCC Committee.

Development of Shanghai's Pudong District Viewed

Zhu Rongji Comments

OW1305190890 Shanghai JIEFANG RIBAO in Chinese 1 May p 1

[Text] During a news briefing yesterday, Shanghai Mayor Zhu Rongji answered questions raised by Chinese and foreign reporters with regard to the sources of capital needed for the development of the Pudong District, Shanghai's investment environment, and the establishment of foreign banks in Shanghai.

Zhu Rongji said that hundreds of millions of yuan will be needed to develop the Pudong District in the next five to 10 years, and capital will come from abroad and will be raised domestically.

He said: Financial support from the central government will be the primary source of capital. The State Council has decided to give Shanghai 6.5 billion yuan primarily in the form of a loan in the next five to 10 years. The second source of income will be Shanghai's own financial resources. Shanghai has great potential for expanding its industrial and agricultural production and for achieving better economic performance. We hope workers, peasants, and intellectuals in Shanghai will increase output and revenues; conserve resources and expenditures; produce better quality goods; speed up technical development; and achieve better economic performance. Judging from experience, Shanghai will be able to increase its revenue by more than 10 billion yuan over a period of 10 years. The third source of income will be monies raised from the people of Shanghai. So far, people in Shanghai have saved 22 billion yuan in banks; their savings increased by 2.9 billion yuan during the first quarter of 1990, an average of approximately 1 billion yuan per month. He expressed his belief that, for the development of Pudong, people in Shanghai will support the government in adopting measures to raise the money needed and to compensate the lenders. By doing this, Zhu Rongji said, they can contribute to Pudong's development and speed up solutions to their

vital problems, including the gas supply and housing construction. They can also contribute by expanding demand, setting the market in motion, stimulating production, enlivening enterprise operation, and increasing workers' income in return. This is tantamount to killing three birds with one stone.

Zhu Rongji added: There are two foreign sources of income. First, we hope the World Bank, the Asian Development Bank, and other international banking organizations, as well as foreign governments, will extend long-term, low-interest credits to Shanghai for its infrastructural construction as they did in the past. The second foreign source of capital will come from the direct investment of foreign entrepreneurs. Shanghai will attract foreign businessmen to set up enterprises in Pudong by opening a district of bonded goods and processing goods for export. Meanwhile, Shanghai will also sell the rights to land use, and adopt other internationally acceptable measures to encourage foreign businessmen to develop land in Pudong or invest in land development. In short, because of Shanghai's favorable conditions, it will receive developmental capital from domestic and foreign sources.

Zhu Rongji said: The political environment in Shanghai, like in other parts of the country, is very good and getting better each day. Having gone through a test of upheaval, Chinese people, including people in Shanghai, have become stronger and more united than before and have become more aware of the fact that stability in the country is the prerequisite for their happiness. The people have now become more supportive of the party and the government because the CPC Central Committee and the State Council have adopted many correct policies, become more democratic, intensified the construction of a clean government, and forged closer ties between the party and the masses.

Because certain countries have imposed economic sanctions on China, the international environment is unfavorable to us in some ways. When we consider the development of Pudong under such circumstances, we become more sober-minded and more cautious in drawing up plans, so that we can avoid detours and proceed steadily. Zhu Rongji indicated that he was optimistic about the future of development in Pudong with international cooperation.

Speaking about the soft investment environment, Mayor Zhu said: Because of bureaucracy, inefficiency, and the tendency to shift responsibility between departments, we still have room for improvement in this matter. Some foreign entrepreneurs are unwilling to invest in China simply because we have one weakness: we more often than not have attached too much attention to small, short-term benefits and ignored overall, long-term benefits. Because of this we have lost many opportunities.

Zhu Rongji believes that people in Shanghai can correct their shortcomings, become more aware of the need to open up to the outside world, and create an investment

environment in line with international norms to attract more foreign business investment in Shanghai.

Answering a question on the establishment of foreign bank branches in Shanghai, Mayor Zhu Rongji said: The State Council has consented to the establishment of some foreign banks in Shanghai, but because there are too many applicants they are being screened one by one. Several banks will be given permission to open branches in Shanghai by the end of this year, he said.

In conclusion, Mayor Zhu Rongji announced at the news briefing that the Shanghai Municipal Government has decided to set up a leading group in charge of the development of Pudong. Under this leading group, he said, there will be a Pudong Development Office and a Pudong Development Planning and Designing Research Institute. He also introduced Sa Lin [3097 7792], the official in charge of the office, to those attending the news briefing. Mayor Zhu disclosed that the office is scheduled to begin operations in Pudong on 3 May.

Vice Mayor Comments

OW1105233890 Shanghai JIEFANG RIBAO
in Chinese 1 May 90 p 1, 3

[Text] Speaking on behalf of the Shanghai municipal government at yesterday's news briefing on the development of Shanghai's Pudong District, Huang Ju, vice mayor of Shanghai, briefed Chinese and foreign personnel on the 10 preferential policies and measures to be adopted in the new Pudong District, the plan for the development of the district, and the measures that will be taken to carry out the plan.

According to Huang Ju, the state has authorized the new Pudong District to adopt the following 10 preferential policies and measures:

1. Income taxes of joint ventures, cooperative enterprises, and foreign-funded enterprises engaged in production in the district will be reduced or exempted. The base tax rate will be 15 percent. Beginning with the profit-making year, those enterprises which will operate for 10 years or longer will enjoy a two-year tax free period and pay only half of the taxes during the third year.
2. Tariffs and consolidated business taxes will be exempted for equipment, raw and semi-finished materials, transport vehicles, and office equipment imported for use by joint ventures, cooperative enterprises, and foreign funded enterprises, as well as for household effects and motor vehicles used by foreign businessmen in the district; and export tariffs and consolidated business taxes will be exempted for goods whose export complies with state regulations.
3. Goods produced by enterprises set up in the district with foreign investment should be primarily for export. Part of the goods used for substituting imports may be sold domestically after approval has been granted by

competent authorities and after the unpaid tariffs and consolidated business taxes have been paid.

4. Foreign businessmen are permitted to invest in the construction of airports, ports, railways, highways, power stations, and other power and transportation projects in the district. Beginning with the profit-making year, they will be exempted from income taxes for five years and pay only half of the amount of taxes in the next five.

5. Foreign businessmen may set up tertiary industries in the district. After receiving approval, foreign businessmen may invest in banking and commodity retail businesses, which foreign businessmen are not allowed to do or are restricted from doing according to the existing regulations, in the district on a trial basis.

6. Foreign businessmen are permitted to establish foreign banking in Shanghai, including the new Pudong District. They will be allowed to establish financial corporations first; then, in accordance with the actual needs in the development of Pudong, some international banks will be permitted to set up their branches in the district. Meanwhile, the existing income tax rates for foreign banks will be appropriately reduced at a proper time. To make sure that foreign banks can operate normally, Shanghai will promulgate relevant laws and regulations as quickly as possible.

7. Within the zones for bonded goods in the district, foreign businessmen's trade organs are allowed to engage in indirect trade and in handling the import of raw and semi-finished materials and spare parts to be used by foreign-funded enterprises in the district, and in the export of their goods. Principal administrators of these zones may be issued multiple exit and reentry visas and enjoy other exit and reentry conveniences.

8. Chinese-funded enterprises in the district, including enterprises set up with investment from other parts of the country, will be treated individually in accordance with the production policies for the new Pudong District. Enterprises conducive to the development and opening of Pudong will also enjoy a reduction or exemption of income taxes as the circumstances warrant.

9. Land ownership in the district may be sold. The right to use land will last from 50 to 70 years. Foreign businessmen may contract large tracts of land for developmental purposes.

10. To expedite Pudong's construction and build the necessary infrastructure needed for development and investment, the income generated in the new Pudong District will be kept in the district and used for its further development.

Briefing the attendees at the news briefing on the general development plan of the new Pudong District, Huang Ju said: The new Pudong District will be an organic part of the economic and social development plan of Shanghai as a whole. As a part of the overall development plan of

urban Shanghai, the development of the new district will proceed gradually according to the plan and priorities. Around urban, central Pudong, there will be five relatively independent and comprehensive subdistricts, each having its own special features. The new district will have a total population of 1.7 million: 260,000 in the Waigaoqiao-Gaoqiao Subdistrict, comprising an area of 75 sq km; 340,000 in the Qingnianshi-Jinqiao Subdistrict, comprising an area of 21 sq km; 350,000 in the Lujiazui-Huamu Subdistrict, comprising an area of 28 sq km; 400,000 in the Zhoujiadu-Liuli Subdistrict, comprising an area of 34 sq km; and 350,000 in the Beicai-Zhangjiang Subdistrict, comprising an area of 19 sq km. Based on the development plans of these five subdistricts, city, subdistrict, community, and neighborhood public activity centers will be built. Housing, commercial, cultural, medical, sports, and recreational services as well as public parks and other public facilities necessary for production and life will be established so that residents can work in nearby areas and contentedly live in peace. These subdistricts will be separated by wooded areas two-three or by land reserved for agricultural use.

On the layout of various trades and services in Pudong, Huang Ju said: At the initial stage of the development, the new Pudong District will pay attention to laying a foundation for industrial development, but it will also set aside ample space for the development of tertiary industry, which will gradually proceed in accordance with the needs of industrial development. The construction of a large modern port and the Waigaoqiao Power Plant will start in the Waigaoqiao-Gaoqiao Subdistrict, and an area adjacent to the port will be developed into an export processing zone and zone for foreign investment. To support the development of the export processing zone, a district of bonded goods will be established. Warehouses for bonded goods and other relevant public facilities will be built there so that the district will become a center of indirect trade, storage, and delivery. Foreign businessmen may set up trade offices in the district of bonded goods to handle indirect trade and to provide import-export agent services for manufacturers in the district. The Lujiazui-Huamu Subdistrict is a district separated from the Bund only by a river. This golden district in Pudong will be developed into a district providing modern banking, trade, commercial, foreign, real estate, information, and consultative services, which will supplement those available in the Bund areas in Puxi. The Beicai-Zhangjiang Subdistrict will be developed into a science and education park. The Qingnianshi-Jinqiao Subdistrict and the Zhoujiadu-Liuli Subdistrict will be developed into a predominantly industrial zone. Their current industrial foundation will be fully utilized for the development of industries which will not cause any environmental pollution and which will have great capacity for future development. Ample space in these two subdistricts will be reserved for use by foreign businessmen. In addition to these major development projects, several small industrial zones will be

reserved for the relocation of buildings and factories in the old urban area and for the establishment of small processing industries.

On Pudong's communication development plan, Huang Ju said: The construction of roads and communication lines has been planned according to the general development scheme and future needs in economic, cultural, educational, and social development. A modern communication network with roads for motor vehicles, passenger vehicles, and nonmotor vehicles, as well as subways, linking those in Puxi District, will be built. During the initial stage of development, the Nanpu Bridge and the Ningguo Road Bridge will be built. A vehicular ferry pier will also be built on Jianghai Road, which is adjacent to the Waigaoqiao area. Eventually, two or three large bridges, five or six tunnels, and a cross-river communication system with five roads for motor vehicles and 16 roads for passengers will be built. In road construction, efforts will be made to complete in 1993 the construction of an inner circular line adjacent to the Nanpu Bridge and the Ningguo Bridge. This line and the outer route surrounding urban Shanghai will form the circular route in the eastern half of Pudong, linking urban Shanghai with the outskirts and areas north of Hangzhou Bay. A subway linking the new district with central Shanghai will also be constructed. In the Waigaoqiao area, four berths will be constructed initially along the coastal areas. There also are plans to dredge 30 to 40 additional berths to accommodate 10,000 metric ton-class ships to allow the port area in the district to handle 20 to 30 million metric tons of cargoes annually. There also is a plan to build the second Shanghai international airport along the Changjiang estuary in Chuansha County.

On Pudong's urban construction, Huang Ju said: Plans have been made to link 25 percent of the households with telephone lines [tian hua hao xian pu ji lu 7193 6114 5714 4848 2528 0644 3764] and to install telephones in 50 percent of households [hua ji pu ji lu 6114 2623 2528 0644 3764] by the year 2000. Moreover, plans have been made to build the Waigaoqiao Power Plant with a total generating capacity of 3.6 million kwh, and to build two water plants which will supply 400,000 metric tons of water per day at the first stage, 800,000 metric tons of water per day at the second stage, and 1.2 million metric tons of water per day in the future. By the end of this century, housing units with a total floor space of 15 million square meters will have been constructed.

On the different stages of the development of Pudong District, Huang Ju said: The first step will begin in the Eighth Seven-Year Plan period, which will be the initial stage. The work of this stage will primarily be that of drawing up plans, improving the environment, and solving communication problems so that the district will become more appealing to foreign businessmen. The work of this stage will also include the construction of cross-river projects, the main roads, and other urban facilities, and the construction of the Waigaoqiao Port and the power plant. During this period, efforts will also

be made to develop the export processing zone, which will have a total area of 5 to 6 sq km. The zone of bonded goods for indirect trade will be built first. This zone will have an area of one or two sq km. During this period, the infrastructure to be built in the new Pudong District will include the Ningguo Road Bridge, the Yanggao Road, the inner circular route, the gas plant, the water plant, the installation of 50,000 program-controlled telephones, and the construction of middle and primary schools, hospitals, shops, and other public facilities. The second step will be taken during the Ninth Seven-Year Plan period, which will be a stage for major developmental projects. At this stage, the construction of main roads and public urban facilities will continue so that an infrastructure with relatively complete supporting facilities will be built. The third step will last 20 to 30 years, or even longer, after the year 2000. That will be a period in which construction will proceed in full swing. Because of the construction in Pudong and the reconstruction in Puxi during that period, Shanghai will become an important, modern, and export-oriented industrial base with relatively complete supporting facilities, and a trade, science and technology, culture, and information center.

Huang Ju concluded: Shanghai warmly welcomes foreign friends and countrymen in Hong Kong, Macao, and Taiwan to participate and invest in developing Pudong and opening it to the outside world. We will furnish an increasingly better environment and good opportunities for investment.

Leaders Attend Pudong Inauguration

OW1205230890 Shanghai JIEFANG RIBAO
in Chinese 4 May 90 p 1

[By reporter Jiang Xinhe (5592 1800 0735)]

[Text] Yesterday afternoon over 1,000 people, young and old, in the Pudong area, gathered in a festive mood at the flower-decorated gate of Building 141 on Pudong Avenue to observe a signboard-hanging ceremony for the inauguration of the Pudong Development Office of the municipal people's government and the Pudong Development Program Study and Design Institute. Though dozens of people's police were on the spot to maintain order, they were repeatedly forced to step back by the surging crowd. "Now, Pudong has a promising future, a really promising future," an old man said excitedly to nearby spectators whom he did not know personally.

Shanghai Mayor Zhu Rongji and Vice Mayors Huang Ju and Ni Tianzeng attended yesterday's signboard-hanging ceremony. The crowd burst into applause when Huang Ju and Ni Tianzeng, together with Sha Lin [3097 7792] and Li Jianeng [2621 0163 5174], hung two signboards decked with red ribbons—one for the Pudong Development Office, and the other for the Program Study and Design Institute—on the wall.

The Pudong Development Office has three sections and two offices: Overall Planning Section, Project Planning Section, Information Section, Policy Research Office,

and General Office. Zhu Rongji, Huang Ju, and Ni Tianzeng toured the newly renovated Pudong Development Office Building. Zhu Rongji highly praised the spirit of dedication displayed by the Pudong Cultural Hall of Huangpu District, which moved out of the building in one day and completed its renovation work in only three days. He also praised the Pudong Development Office for spending only three days on completing its assignments and transfers of personnel to meet its needs. With profound sentiment, he held the hand of the director of the Pudong Cultural Hall and said: "You have made the first contribution to the development of the Pudong area."

Zhu Rongji called on the comrades to speed up the development of Pudong, to develop a new work style, and to foster a Pudong spirit. He encouraged them to strive hard in a down-to-earth way, to work realistically, and to strenuously overcome every difficulty, and to do their best to forge ahead so as to make a success of Pudong's development.

Huang Ju put forth four ways of combining the work for developing Pudong: Combining the work of Pudong and Puxi [area west of Huangpu Jiang], combining the efforts of all departments and areas, combining long- and short-term targets, and combining development and reform.

Early yesterday morning, a man living in the Pudong area came to the Pudong Development Office to donate 500 yuan, saying that he wished to contribute this small amount to Pudong's development and construction. Yesterday Ni Tianzeng said that the municipal government was studying concrete measures to mobilize the Shanghai people to develop Pudong. As for money donors, he said, a plan is under consideration to assign a pertinent department to receive the donors, record their names and donations, and present them with keepsakes as a way of encouraging such contributions.

Yesterday morning, the Pudong Development Office received five groups of businessmen from Japan, Taiwan, Hong Kong, and other places who came to ask for information about investment in the area.

Shanghai CPPCC Committee Session Ends

OW1305133490 Shanghai City Service in Mandarin
0900 GMT 26 Apr 90

[By station reporter (Zhu Mei); from the "News and Weather" program]

[Text] The Third Session of the Seventh Shanghai Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] successfully fulfilled its tasks on the agenda, thanks to the joint efforts of all members. It successfully closed this afternoon at the central hall of the Shanghai Exhibition Center.

At the closing meeting, Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee, delivered a speech on behalf of his committee.

Xie Xide, chairman of the municipal CPPCC Committee, delivered a closing address. She said: The session has focused on the main theme of stability and development, showed an atmosphere of democracy and unity, and displayed the spirit of seeking truth and bolstering up morale. It is a successful session. We hope that leading party and government organs of this municipality will pay great attention to the members' opinions and suggestions on doing a good job in improving the economic environment; rectifying the economic order and deepening the reform; strengthening the building of spiritual civilization; opposing corruption; beefing up the improvement of party style and the building of a clean and honest government; forging close ties with the masses; respecting knowledge and competent people; improving the traffic and housing conditions; and so forth. We hope that they will study and deal with these opinions and suggestions in a serious manner.

Referring to the municipal CPPCC Committee's work from now on, Xie Xide said: Further efforts should be made to study, publicize, and implement the CPC Central Committee's Opinions on Adhering to and Perfecting the Systems of Multiparty Cooperation and Political Consultation Under the Leadership of the Chinese Communist Party as well as the guidelines set at the Sixth Plenary Session of the 13th CPC Central Committee. We should gear up the efforts to improve ourselves and make perfect our work systems in all areas, vigorously carry forward the role of political consultation and democratic supervision, do still better in participating in the administration and discussion of state affairs, establish close ties with people of all walks of life, and make contributions to the stability and development of our municipality.

After voting by a show of hands, the session elected Sun Jinfu, Sun Zengyi, and Zhao Dingyu members of the Standing Committee of the current municipal CPPCC Committee.

The session adopted the Resolution of the Third Session of the Seventh Municipal CPPCC Committee. The resolution states: The members attended the Third Session of the Ninth Municipal People's Congress as observers and heard and discussed Mayor Zhu Rongji's government work report, which they said was an inspiring report based on true facts. They considered the work of the municipal people's government last year to be fruitful and endorsed the tasks and measures projected for this year. The members were greatly inspired by the important strategic policy decision announced by Premier Li Peng to the people at home and abroad on accelerating the development of Pudong and opening it to the outside world. They are determined to offer suggestions and exert efforts to make this major project a real success. The resolution called on all member of the municipal CPPCC Committee to unite with people of all walks of life, work with one heart and one mind, overcome all difficulties on the road ahead, and contribute their wisdom and efforts to shaping Shanghai's bright future.

Also adopted at the session was a report by the Third Session of the Seventh Municipal CPPCC Committee on examination of motions.

The closing meeting was presided over by Mao Jingquan, vice chairman of the municipal CPPCC Committee. Vice Chairmen Wang Xing, Zhao Chaogou, Xu Yifang, Tang Junyuan, Dong Yinchu, Zhang Ruifang, Yang You, Wu Zengliang, Chen Mingshan, Zhao Xianchu, and Chen Haozhu, and Secretary General Chen Fugen attended the meeting. They were seated in the front row on the rostrum.

Invited to attend the meeting were municipal party, government, and Army leaders and responsible persons of the municipal higher people's court and the municipal people's procuratorate including Zhu Rongji, Huang Ju, Chen Zhili, Zhang Dinghong, Zhao Qizheng, Wang Liping, Chen Guodong, Ye Gongqi, Sun Guizhang, Tan Jiazhen, Ye Shuhua, Li Jiahao, Wang Chongji, Liu Zhenyuan, Ni Tianzeng, Xie Lijuan, Wang Daohan, Li Chuwen, Ba Zhongtan, Huang Hengmei, Shi Zhiqing, Lu Naihe, Lu Linyuan, Gu Nianzu, Shi Zhusan, and Zhu Daren. Liu Jingji and Su Buqing, vice chairmen of the CPPCC National Committee, were also invited to the meeting. Veteran comrades invited to the meeting were Chen Yi, Li Guohao, Yang Shifa, Zhang Chengzong, and Zhou Bi. Consuls general and other officials of foreign consulates in Shanghai were invited to attend the meeting as observers.

Zhejiang's Li Zemin Chats With Students

OW1305200890 Beijing: XINHUA Domestic Service
in Chinese 0537 GMT 4 May 90

["Feature" by XINHUA correspondent Xu Peiying (1776 0160 3841) and XINHUA reporter Huang Guowen (7806 0948 2429): "Wish Students To Join the Party Earlier—Sidelights of Heart-to-Heart Talks Between Li Zemin, Secretary of the Zhejiang Provincial Party Committee, and University Students Applying for Party Membership"]

[Text] Hangzhou, 4 May (XINHUA)—On the day before the "May Fourth" Youth Day, Li Zemin, secretary of the Zhejiang Provincial Party Committee, had a heart-to-heart talk with 16 students from the Computer Department of Zhejiang University who had applied for party membership.

The 16 students wrote a letter to Li Zemin six days ago. The letter said: "After the turmoil at the turn of spring and summer last year, we studied and thought over the matter. As a result, we organized a Marxist-Leninist study class on our own initiative, and we attended the class ourselves. Moreover, we solemnly submitted our applications for party membership to the party organization. Now that the "May Fourth" Youth Day is

drawing near, we earnestly invite you to come here to hold a discussion with us (or may we visit you to hold the discussion)."

On 3 May, Li Zemin arrived at Zhejiang University. On meeting the students he said with a smile: "I have received your letter. From your letter, I know that, after study and reflection, you have reinforced your confidence in party leadership and the socialist cause. I am quite willing to have a heart-to-heart talk with you so that we may exchange our feelings and know each other's minds." The secretary's cordial remark immediately invigorated the atmosphere in the room.

A co-ed wearing a red coat said: "We would like very much to join the Chinese Communist Party. Would you please tell us how students with party membership should show their proper image."

With a smile, Li Zemin suggested: "What if we let you express your views first?"

A senior with glasses immediately said: "When I was a child, I felt that being a party member was a matter of glory and life in the future would be smooth sailing. Now I realize that it is necessary to make sacrifices, even to sacrifice one's own life, in order to be a party member. An applicant for party membership should have firm confidence in communism at all times." Li Zemin responded: "What you have said is quite correct. I think that you students applying for party membership should first have a correct motive for joining the party. Your motive should not be simply sentimental, but should be based on your understanding of the party program, the party Constitution, and Marxist-Leninist theories. You should understand the nature and purpose of the party. The objective of joining the party is to work hard to realize the purpose of the party. You should serve the people wholeheartedly and display a spirit of dedication. In no way should you think of the benefits to yourselves." Concerning the proper image of students with party membership, Li Zemin said: "The standard requirements and qualifications for joining the party are the same for people of all professions. Of course, people from different work posts and professions should take their own situations into consideration when setting strict demands on themselves to meet the criteria for party members. Concerning university students, the task of prime importance at present is to study. You should study Marxism-Leninism; reinforce your confidence in communism; grasp modern scientific and cultural knowledge; and cultivate yourselves into new socialist people with high ideals, moral integrity, good education, and sense of discipline. This is in harmony with your request for joining the party."

A male student wearing a suit started to talk about the students' self-examinations. He said: "In any case, China needs stability. It is necessary to embark on the socialist

road and adhere to leadership by the Communist Party. However, a small number of students are still somewhat bewildered."

"Indeed, there is the question of belief," Li Zemin said. He continued: "At present, the international situation is very changeable. Historical development will be tortuous. It will not be all smooth sailing. The international communist movement and the Chinese revolution both have had such experiences. Whenever revolution has met with some setbacks, there have been some people who raise the question of how long the red flag can last. However, a member of the Communist Party must not waver in his belief at any time. At present, we are faced with a complicated international political situation. It can be a test for you students who want to apply to join the party. You should strive to study Marxist theory and learn how to use the viewpoints of dialectical materialism and historical materialism to analyze the situation and proceed along the correct orientation. At the same time, you should clearly understand the national situation, adhere to the four cardinal principles, persist in carrying out the reform and open policy, and orient yourselves toward doing our own things well."

"Through summing up your experiences and self-examination, you have now increased your understanding. Is there still something weighing on your minds or not?" Li Zemin asked them in a warm manner.

A student said: "At the beginning, many students followed the group and went to the street to take part in demonstrations. Now we all realized that we were deceived."

Li Zemin said: "Yes, many students got involved in last year's turmoil. There were profound and complicated reasons. With the exception of a very small number of plotters and organizers of riots, university students should not be held responsible for their action. We also went through a tortuous road when we were young like you. As an old saying goes: 'A fall into the pit and a gain in your wit.' Through this political storm, you have seriously summed up your experiences, strengthened your capability to resist erroneous activities, and increased your ability to distinguish between what is right and what is wrong. You have become firmer and more sober politically. This will benefit you in your lifetime. I wish to offer you a piece of advice: lay down your ideological burden, raise your spirit, and make swift progress."

A whole afternoon passed and the students still wished to express their views. Li Zemin said: "From now on, we can become friends. We can have more contacts and exchanges of views. When I have time, I will try to come again and take part in your study and discussion!" The students all cheerfully applauded when they heard Li Zemin's remarks. Upon leaving, Li Zemin wished that the students could join the party at an earlier date and extended "May 4th" greetings to them.

Central-South Region

Resignation of Standing Committee Chief Accepted

HK1505090490 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 May 90

[Text] This morning, at the fourth plenary meeting of the third session of the seventh provincial People's Congress, more than half of the participants raised their hands to approve the decision of the third session of the seventh provincial People's Congress on accepting Comrade Luo Tian's resignation as chairman of the provincial People's Congress Standing Committee.

Comrade Luo Tian submitted his letter of resignation to the presidium of the third session of the seventh provincial People's Congress and all participants. In his letter, he said: Since I have reached the age of 70, I sincerely hope that my resignation from the chairman of the provincial People's Congress Standing Committee will be accepted. With the examination and discussion by the presidium, a decision on accepting Luo Tian's resignation was approved, which will be submitted to the fourth plenary meeting for examination and discussion.

Guangdong Court's Handling of 4 Jun Cases

HK1505020890 Hong Kong WEN WEI PO
in Chinese 14 May 90 p 2

[Report by staff reporter: "Guangdong Law Court Adopts Prudent Policy Toward Cases Involving 4 June Incident"]

[Text] Guangzhou, 13 May—Mai Chongkai, president of the Guangdong Provincial Higher People's Court, said today that the People's Court has adopted a firm, yet prudent policy in handling the criminal cases that cropped up during last year's turmoil.

In his report on the court work addressed to the Guangdong Provincial People's Congress, he revealed: Last year, courts at all levels in Guangdong Province accepted and heard 10 criminal cases involving 12 persons that cropped up during the turmoil. Nine of the cases have been wound up and 10 people have been convicted. Four of these people were convicted of counterrevolutionary crimes, and six others were convicted of jeopardizing public security, robbery, or hooliganism respectively. Eight of the convicts were sentenced to varying terms of imprisonment, ranging from five to 10 years. Because the punishments for these cases were handled so appropriately, three of them were designated by the Supreme People's Court as best-handled cases, and the proceedings were handed out to courts at all levels across the country for reference.

He also stressed: There are not large numbers of these cases, but they are very complicated. They have a close bearing on the policy and a strong and direct impact on the stability of the overall situation. The Guangdong Provincial Court carefully studied the way to correctly apply the law and drew a rigid line between guilt and

innocence, and between counterrevolutionary crimes and ordinary criminal offenses. Therefore, these cases were handled according to verified facts and sufficient evidence, and with the accurate application of law and appropriate measurement of penalty.

Guangdong Governor Attends Report Meeting

HK1005152990 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 10 May 90

[Excerpts] The "model workers report delegation" organized and sent by the All-China Federation of Trade Unions held a report meeting in the auditorium of the Guangdong Provincial People's Government this morning.

More than 1,800 people of all walks of life and college students and teachers in Guangzhou City, including Ye Xuanping, deputy secretary of the Guangdong Provincial CPC Committee and provincial governor, and some other provincial leaders, attended the meeting. [passage omitted]

Zhang Guoying, deputy secretary of the provincial CPC committee, delivered a speech at the meeting, calling on the people of Guangdong to learn from the model workers, overcome difficulties, do better work, and make greater contributions to the motherland and the Chinese nation.

New Measures To Attract Guangzhou Investors

HK1405025390 Beijing CHINA DAILY in English
14 May 90 p 2

[By staff reporter Li Zhuoyan]

[Text] The Guangzhou municipal government is now ready to introduce new measures to open its door even wider to the outside world.

As declared by Lei Yu, vice-mayor of the city, at a recent meeting in the Guangzhou Economic and Technical Development Zone, these new measures are:

- To permit mortgages on the land-use rights and the real estate of the enterprises, including those with foreign investment and other economic organizations and individuals.
- To establish a market of production materials to be dealt with in foreign currencies, which aims to help solve the problem of raw material shortages often experienced by overseas investors.
- To introduce the Sino-funded banks in Hong Kong and Macao into Guangzhou in order to introduce competition into the city's financial system.
- To set up a bond exchange company which has been undertaken by the Transportation Bank of China, Guangzhou branch.

The city also adopted a series of measures last year to open its market including leasing the land-use rights,

making over some scientific and technological achievements and transferring the stocks of some of the State-owned enterprises to foreign investors. These measures have helped the city weather the hard time that came in the wake of the "June 4" event last year.

Meanwhile, to further attract overseas investment, the city is to choose some large projects to invite foreign tenders.

These projects include a power station with a total capacity of 600,000 kilowatts, an ethylene plant, a soda ash factory and a polyester slice processing factory.

At present, some foreign countries intend to grant loans to some of projects and some business corporations are also ready to invest in some the projects.

"But we still need more from foreign investors, who will undoubtedly benefit from their investment because these projects are all Guangzhou's key projects," said Lei Yu.

The departments of the city government are making every effort to provide better environment for the foreign investors.

For instance, the foreign-funded enterprises in the city will have a 20 percent increase in loans over the 400 million yuan (\$85.1 million) of last year despite the present fund shortage.

The city's postal and communications department has also promised to give priority to foreign investors by installing communication facilities such as telephones, radio pagers, and portable telephones.

Hunan Governor Views Handling Proposals

HK1405122590 Changsha Hunan Provincial Service in Mandarin 2200 GMT 12 May 90

[Text] Yesterday morning, the Hunan Provincial People's Congress, the Hunan Provincial People's Government, and the Hunan Provincial CPPCC [Chinese People's Political Consultative Conference] Committee jointly held a meeting on handling and implementing both the proposals put forward by deputies to the Hunan Provincial People's Congress and the motions advanced by members of the Hunan Provincial CPPCC Committee.

The meeting was attended by responsible persons of various departments of the Hunan Provincial People's Government.

Chen Bangzhu, deputy secretary of the Hunan Provincial CPC Committee and concurrently governor of Hunan Province, Xie Xinying, vice chairman of the Standing Committee of the Hunan Provincial People's Congress, and Zhang Deren, vice chairman of the Hunan Provincial CPPCC Committee, delivered speeches at the meeting.

Zhang Chunfa, deputy secretary general of the Hunan Provincial People's Government, gave an account of the government's handling of both the proposals put forward

by the deputies to the Hunan People's Congress and the motions advanced by members of the Hunan Provincial CPPCC Committee over the past year.

According to Zhang Chunfa, in 1989, the government handled and implemented a total of 1,800 proposals and motions, including both those put forward by the Hunan-based deputies to the National People's Congress and the Hunan-based members of the CPPCC National Committee and those put forward by the deputies to the Hunan Provincial People's Congress and the members of the Hunan Provincial CPPCC Committee.

This year, the Hunan Provincial People's Congress and the Hunan Provincial CPPCC Committee have put forward a total of 1,666 proposals and motions. In view of this situation, government demanded that all the departments concerned must handle and implement all these proposals and motions before September of this year.

In his speech, Governor Chen Bangzhu mainly dwelt on the following three aspects: 1) To correctly handle the relationship between public servants and master so as to constantly heighten consciousness in handling and implementing proposals and motions; 2) To correctly handle the relationship between quality and quantity in the course of handling and implementing proposals and motions with stress on improving quality and creating conditions to solve more problems; 3) To correctly handle the relationship between handling proposals and motions and improving government work.

Southwest Region

Guizhou Holds Standing Committee Meeting

HK1105123690 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 10 May 90

[Text] The 13th plenary session of the seventh Guizhou Provincial People's Congress Standing Committee held its third plenary meeting in Guiyang yesterday morning.

The meeting was mainly held to fulfill the following tasks: 1) To listen to and discuss the Report on Draft Guizhou Provincial Final Accounts in 1989 and Guizhou Provincial Extra-Budgetary Fund Management in 1989, which was delivered by Zhao Ziyi, director of the Guizhou Provincial Finance Department; 2) to listen to the Report on Examination of Draft Guizhou Provincial Final Accounts in 1989, which was delivered by Long Xinzhe, deputy chairman of the Financial Affairs Committee under the Gansu Provincial People's Congress Standing Committee; 3) to listen to the Report on Work Done by Guizhou's Administrative and Supervision Organs in Eliminating Corruption in 1989 and Work Arrangements of Guizhou's Administrative and Supervision Organs for 1990, which was delivered by Liu Shupai, director of the Guizhou Provincial Supervision Department; 4) to listen to the Explanations on Motion of Naming Comrade Wang Binjun and Six Other

Comrades Special Model Workers, which was delivered by Wang Anzhe, vice governor of Guizhou Province.

Meeting Ends

HK1405132390 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 12 May 90

[Text] The six-day 13th meeting of the Standing Committee of the Seventh Guizhou Provincial People's Congress concluded in Guiyang yesterday morning.

The meeting adopted the following documents:

1. "Guizhou Provincial Regulations on Implementing 'PRC Law of Assembly, Procession, and Demonstration'";
2. "Guizhou Provincial Regulations on Labor and Sanitation Management of Industrial Enterprises";
3. "Guizhou Provincial Regulations on Protection of Old-Aged People";
4. "Resolution on Guizhou Provincial Final Accounts in 1989";
5. "Resolution on Strengthening Supervision Work";
6. "Decision on Conferring the title 'Outstanding Model Worker' on Comrade Wang Yujin and Six Other Comrades";
7. "Decision on Setting up Election Committee of Anshun City."

The meeting also adopted a list of appointments and removals.

The meeting was presided over by Wang Zhenjiang, vice chairman of the Standing Committee of the Guizhou Provincial People's Congress, and attended by Zhang Yuhuan, chairman of the Standing Committee of the Guizhou Provincial People's Congress, Luo Dengyi, Zhou Yansong, Liang Wanggui, Luo Shangcai, Qiao Xueheng, Li Jifeng, and Wang Yaolun, vice chairmen of the Standing Committee of the Guizhou Provincial People's Congress.

After the meeting, Zhang Youlu, member of the Standing Committee of the Guizhou Provincial People's Congress and concurrently chairman of the Legal Affairs Committee under the Standing Committee of the Guizhou Provincial People's Congress, told our reporters that the "Guizhou Provincial Regulations on Implementing 'PRC Law of Assembly, Procession, and Demonstration,'" which was adopted at the meeting has fully met the demands of Guizhou's building of socialist democracy and socialist legal system, has fully embodied the spirit of guaranteeing citizens's right of assembly, procession, and demonstration within the limits of law, and has provided a legal guarantee and a legal basis upon which Guizhou Province will be able to effectively safeguard its fine political situation of stability and unity, and maintain overall stability and social order.

Comrade Zhang Youlu predicted that the official adoption of the "Guizhou Provincial Regulations on Implementing 'PRC Law of Assembly, Procession, and Demonstration'" will soon be followed by the official promulgation and implementation of it in the whole province.

Comrade Zhang Youlu expressed the hope that each and every citizen in Guizhou will consciously abide by all the provisions of the "Regulations" and make concerted efforts to help to safeguard the fine political situation of stability and unity.

Asian Development Bank To Provide Loans

HK1105130890 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 10 May 90

[Text] According to the Guizhou Provincial Nationalities Affairs Commission, the Asian Development Bank recently signed an agreement with China's State Nationalities Affairs Commission on providing loans to help develop Qiannan Autonomous Prefecture and Qianxinan Autonomous Prefecture of Guizhou Province with a view to solving the problem of feeding and clothing peasants in those two areas.

At the end of April, some experts of Asian Development Bank carried out on-the-spot investigations in the Shishan area in southwest Guizhou, which is an area inhabited by ethnic minorities. On the basis of their investigation, the Asian Development Bank decided to provide loans to Qiannan Autonomous Prefecture and Qianxinan Autonomous Prefecture of Guizhou Province, Bose Prefecture and Hechi Prefecture of Guangxi Autonomous Region, and Wenshan Autonomous Prefecture and Qujing Prefecture of Yunnan Province with a view to promoting large-scale agricultural development and solving the problem of feeding and clothing peasants in those six areas.

This is the first batch of investments made by Asian Development Bank in China since last June.

According to the agreement, in August of this year, the Asian Development Bank will gratuitously provide \$ 0.59 million in loans while China's State Nationalities Affairs Commission will appropriate \$60,000 to the aforementioned six areas to help those areas employ Chinese and foreign experts, carry out scientific demonstrations on development projects, and purchase equipment. In the meantime, the Asian Development Bank will also start providing long-term, low-interest, and preferential loans to the above mentioned six areas to help them build agricultural projects.

Leaders Thank Withdrawing Martial Law Troops

OW1405203990 Lhasa Tibet Television Network
in Mandarin 1200 GMT 9 May 90

[Announcer-read report over video prepared by station reporters Gesang Dansheng and Jiang Li; from the "Tibetan News" program]

[Text] [Video begins with shots of regional leaders and military officers walking toward a square in the midst of the sound of gongs and drums; followed by shots of a farewell ceremony held in the square showing about 100 troops in regular uniform standing in the square] On the morning of 9 May, leaders of the regional People's Congress Standing Committee and the regional committee of the Chinese People's Political Consultative Conference [CPPCC] went to the barracks of a certain military unit to extend cordial regards to the officers and men who were withdrawn after successfully accomplishing the task of enforcing martial law in Lhasa. They thanked the troops for bringing back a state of peace and harmony to the people of the autonomous region. Senqen Lozong Gyaincain, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, and Lhalu Cewang Doje, leaders of the regional People's Congress Standing Committee and regional CPPCC committee; (Xu Hongsen), secretary general of the regional CPPCC committee; and (Hu Lianchang), deputy secretary general of the regional People's Congress Standing Committee, all took part in the activities.

On behalf of the regional People's Congress Standing Committee and the regional CPPCC committee, the leaders presented a porcelain board painted with the picture of Potala Palace and a silk banner to the troops. The silk banner was embroidered with the words, "Loyal Defenders of the People of All Nationalities and Models in Safeguarding the Unification of the Motherland." The leaders also presented hada [Tibetan ceremonial silk scarf] to the leaders of the troops.

The leaders spoke highly of the efforts made by the troops to overcome all kinds of difficulties while enforcing martial law in Lhasa, and the great meritorious service rendered by them in safeguarding the unification of the motherland and national unity, and in protecting the safety of the people and their property. They pointed out that the troops had earned the love and respect of the people by their strict observance of the policy toward nationalities and religion, and by loving and protecting the people.

Leaders of the troops said: In the course of enforcing martial law in Lhasa, we have won the trust, understanding, help, and support of the people. We would like to express our thanks for this.

The leaders also pledged to make new contributions to the defense of the southwestern frontier of the motherland, and to build a new, prosperous, civilized Tibet with lasting peace and stability.

Efforts To Stabilize Tibet Continue*HK1205005690 Beijing CHINA DAILY in English
12 May 90 p 1*

[By staff reporter Xie Liangjun]

[Text] The Chinese Government will continue its efforts to develop the economy and stabilize the situation in Tibet.

Since the withdrawal of martial law in the capital of Lhasa, which was imposed last March and lifted May 1, all policies concerning Tibet's economic development and opening to the outside world remain unchanged. Vice-Minister Zhol Jyal of the State nationalities Affairs Commission said in an interview with CHINA DAILY yesterday.

The vice-minister, of Tibetan Nationality, said that after the lifting of martial law, steps should be taken to continue the work to bring unity and stability in Lhasa as well as to Tibet as a whole.

Efforts must be made to improve the economy, culture and education in Tibet, he said, adding that although considerable progress has been achieved in Tibet over the past four decades, its economy still remains backward compared to other parts of the country.

"Only with the assistance of other parts of the country as well as the aid of people of other nationalities can Tibet develop its under-tapped economy and culture and education," the vice-minister said.

The Central Government, he said, has invested heavily in Tibet to wipe out this backward situations.

"Tibet now is being plagued by its under-developed transportation and energy systems," said the vice-minister, nothing that the State has promised more investment in these areas.

Last month, an ambitious development programme, designed to turn the Tibet Autonomous Region into a prosperous agricultural production centre, was endorsed by key ministries under the State Council, with an estimated investment of at least \$200 million.

The programme concentrates on agricultural development in the "Tibetan Golden Triangle Areas" made up of the Yarlung Zangbo, Lhasa and Nyang Qu River valleys.

He pinned his hopes on education, saying that efforts must be made to train local talent.

"It's not enough to rely on technicians and skilled workers of other nationalities in building Tibet," he said.

The 61-year-old vice-minister used to be a head of a Tibetan autonomous prefecture in Qinghai Province before he took over the post in Beijing four years ago.

"We should keep on publicizing and implementing policies that back equality of nationalities and freedom of religious belief, as well as regional autonomy for minorities," he said.

Reportage on Dalai Lama, Tibetan Parliament*WA1405073090*

For Indian reportage on the dissolution of the Tibetan parliament in exile by the Dalai Lama, including the resignation of the Dalai Lama's cabinet and the election of a new cabinet, see the South Asia section of the 15 May Near East & South Asia DAILY REPORT.

North Region**Beijing's Li Ximing Speaks at Work Conference***SK0605131990 Beijing BEIJING RIBAO in Chinese
31 Mar 90 p 1*

[Text] The three-day municipal organization work conference concluded on 30 March. The conference relayed the guidelines of the national conference of organization department directors and, based on the actual conditions of our municipality, made arrangements for the work to examine cadres, strengthen leading bodies, train reserve cadres, and conduct new registration of party members.

Li Ximing, secretary of the municipal party committee, attended and addressed the conference. He said: We should summarize the experiences and lessons of last year's turmoil and rebellion, persistently carry out the struggle against "peaceful evolution," and conscientiously do a good job in the organization work and in examination of cadres. The "four requirements" should be upheld comprehensively when examining and appointing cadres. We should first of all uphold the requirement for being revolutionary, which means a sound political stand and political quality, that is, political integrity. Cadres without a firm political stand and good political quality should not be appointed as party leaders or administrative leaders. When stressing political integrity, we do not mean to neglect ability. Leading cadres should have both political integrity and ability, being both politically and professionally competent. Currently, there are some cadres who turn a blind eye to unhealthy phenomena, have confused ideas, are perfunctory in doing work, and cannot distinguish right from wrong. We should pay particular attention to this problem when examining and appointing cadres. Party committees at various levels and their organization departments should make the achievements in examining cadres reflected in the endeavor to improve leading bodies, promote to leading posts the cadres who are found after examination to enjoy the support of the masses and have both political integrity and ability.

Li Ximing pointed out: The work related to reserve cadres is one concerning training of thousands of successors, and persistent and conscientious efforts should be exerted to make it successful. We should discover and

train reserve cadres in the process of practice and struggle, and should broaden our field of vision when training talented people. We should set strict demands on reserve cadres, examine them on a regular basis, and earnestly give guidance to them. We should summarize our experiences and lessons in this regard.

Li Ximing said: Judging from the experimental work carried out in some selected units, our municipality achieved fairly good results in the reregistration of party members. Party committees at various levels and their organization departments should have confidence in carrying out this work. Leading persons should attach importance to it, set strict demands, and uphold the criteria to guard against perfunctoriness in the reregistration of party members.

In conclusion, Li Ximing emphasized: Organization departments should step up efforts to improve themselves in ideology, organization, and work styles. They should uphold party spirit, adhere to principles, carry forward the party's fine traditions and work styles, maintain close ties with the masses, and strive to surmount difficulties and obstacles. We should persist in studying Marxist theory, study philosophy well, persistently understand and solve problems with the Marxist stand, viewpoints, and methods, go down to the grass roots more often, participate in practice, continuously transform our world outlook, and continuously improve our theoretical and policy levels.

At the conference, Chen Guangwen, Standing Committee member and organization department director of the municipal party committee, gave a report entitled "Conscientiously Strengthen Leading Bodies and the Work Related To Reserve Cadres To Make Sure That Leadership Power Is Placed in the Hands of the People Loyal to Marxism."

Li Qiyang, deputy secretary of the municipal party committee, presided over and addressed the session on 30 March. Attending were comrades from the Organization Department of the municipal party committee, and comrades in charge of the organization work of the various departments of our municipality.

Aids in Removal of Mound From Tiantan

SK1405012390 Beijing BEIJING RIBAO in Chinese
8 Apr 90 p 1

[Text] With the planting of pine trees and cypress, the ancient Tiantan Park has regained its romantic charm. On 7 April, the municipal government held a meeting to sum up the experiences in accomplishing the task of "removing the mound to cherish the love of the motherland, Beijing, cultural relics, and Tiantan" and to commend the advanced units in the task. "Trophies of Tiantan" were awarded to the municipal transportation company under the municipal communications and transportation corporation and the municipal urban construction and mechanical engineering company under the municipal urban construction and engineering

corporation. He Luli, vice mayor of the municipality; and Huang Jicheng, assistant to municipal mayor, attended the meeting.

Tiantan was one of the key cultural relics covered in the first group of national cultural relics under protection as approved and promulgated by the State Council in 1961. During the "Great Cultural Revolution" period, a mound, occupying an area of 6 hectares and more than 30 meters in height, was piled in Tiantan Park. As a result, the special scene of the ancient park was seriously damaged. To restore the ancient park's romantic charm and benefit coming generations, the first routine work conference of the municipal government, that was held on 5 January this year, worked out a decision to remove the mound from Tiantan, and also called for removing the mound to cherish the love for the motherland, Beijing, cultural relics, and Tiantan.

The municipal government's decision and call enjoyed the vigorous support of all circles in society. The municipal communications and transportation corporation and the municipal urban construction and engineering corporation actively asked for the battle plan and undertook the arduous task. The broad masses of cadres of the corporations worked enthusiastically and completed the task on 12 March, 34 days ahead of schedule.

Li Ximing, secretary of the municipal party committee; and Chen Xitong, mayor of the municipality, personally guided teams to join the voluntary labor. The municipal Communist Youth League committee organized and launched a campaign of "learning from Lei Feng to make contributions and voluntarily removing the mound." Some 110 units and more than 10,000 people successfully joined the voluntary labor.

Hebei Secretary Visits Rural Areas 21-24 Mar

SK1405000490 Shijiazhuang HEBEI RIBAO
in Chinese 28 Mar 90 p 1

[Text] From 21 to 24 March, Xing Chongzhi, secretary of the provincial party committee, visited some rural grass-roots units of the Ningjin, Neiqiu, Renxian and Baixiang Counties of Xingtai Prefecture to hold forums, hear the opinions and demands of grass-roots cadres and the masses of peasants, and discuss with them the measures to successfully implement the "decision" of the sixth plenary session of the 13th party Central Committee and maintain close ties between the party and the masses.

On 21 March, Xing Chongzhi went to the printing and dyeing mill of Ningjin County despite the rain. After inspecting the mill and hearing introductions, he went to the Changlu Township and Dalucun Town of Ningjin County and the Datun Township of Renxian County to hold forums with county and township cadres, secretaries of village party branches and the masses of peasants. In the western mountainous area of Neiqiu County, he walked on muddy, narrow and winding roads, and crossed over hills to inspect the project to improve

barren hills and plant trees organized collectively by the Sunjiapo and Zhaimengou Villages. He heard work reports by county party committees in the Ningjin, Neiqu and Baixiang Counties. Wherever he went, Xing Chongzhi made a conscientious effort to understand how the "decision" of the party Central Committee had been relayed and implemented in the localities. He repeatedly stressed that the current important task for party organizations at various levels was to successfully implement the "decision" of the party Central Committee and maintain close ties between the party and the masses. Xing Chongzhi said: Judging from the situations in the various grassroots units, we should pay attention to three prominent links at present. First, we should intensify ideological and political work, and truly embrace the idea of trusting and relying on the masses in doing everything. Second, we should earnestly carry out practical work for the masses. Third, we should truly remain clean and honest.

During the discussions with grassroots cadres and the masses, people said that although a small number of the cadres coming down to the grassroots failed to earnestly carry out their work, the overwhelming majority of such cadres were able to go deep into the masses and help them solve problems, thus playing an important role in maintaining close ties between the party and the masses. Xing Chongzhi said: All levels should examine and evaluate the cadres going down to the grass roots, and educate, criticize or punish those who do not perform well. The purpose for us to stress the importance of implementing the "decision" of the party Central Committee with the spirit of work style rectification is to urge the masses of cadres to study the document in line with their thinking, conduct criticism and self-criticism, and truly embrace the idea of trusting and relying on the masses, and taking their interest into consideration in doing everything. Whether or not cadres can maintain close ties with the masses is not an issue concerning the general work style. It is an issue concerning their stand and world outlook, and concerning the question of who they should serve. Only when they improve their ideological level, and truly embrace the mass viewpoint can they set strict demands on themselves of their own accord, and actively help the masses resolve difficulties.

At a forum in the Datun Township of Renxian County, Wu Zhenzhi, a peasant of Jiacun Village, said that some people lacked an adequate understanding of the party's policies because they were not disseminated to households, and that more work should be done to explain policies to the masses. Xing Chongzhi said: This opinion is very good. To maintain close ties between cadres and the masses and make rural work successful, we should intensify the education of peasants and, first of all, make them understand party policies and know that party policies conform to their own interests so that they will actively work according to party policies. In this way, all our work will proceed more smoothly. We should work out new methods to make policies known to villages and

households. For example, taped recordings of the explanations of relevant party policies and regulations and playing them in villages is a good method.

At a forum in the Datun Township of Renxian County, a cadre said that this township had popularized 18 new agrotechnologies, built 489 model scientific and technological demonstration households, and established a supporting reform, technological and material supply service system to increase the per-mu grain yield of the township to 1,572 kg, and thus make the ties between the party and the masses and between cadres and the masses even closer and more harmonious. At a forum in the Dalucun Town of Ningjin County, cadres talked out the masses' active efforts to renovate 208 ditches and repair 93 roads, totaling 200,000 cubic meters of earth work, and plant 81,000 trees. Xing Chongzhi said happily: Such a situation showed that so long as we actively help the masses solve their problems in their production and livelihood in line with their desires, we will win their sincere support. Where should we place the focus of our rural work? In my opinion, we should first place our focus on helping the masses develop production and solve practical problems.

During the forums, cadres pointed out the problems of arbitrary collection of funds, charges and fines, that affected the relations between the party and the people and between cadres and the people, and the problem that some cadres failed to set an example in allocation of land for housing construction and in family planning. In view of the problems, Xing Chongzhi pointed out: To maintain close ties between the party and the masses and between cadres and the masses, we should continue the efforts to remain clean and honest. Party committees, governments and relevant departments at various levels should resolutely enforce the State Council regulations on reducing the burdens on peasants. In particular, they should conduct inspections on the problems concerning the numerous "centers and stations," and study and adopt effective measures to solve them. We should allow the masses to participate in the discussion on rural work, and should make public the work that should be made public. Everyone says that family planning work is difficult. However, as long as cadres take the lead in setting strict demands on their relatives and, like Neiqu County and other localities have done, regularize, institutionalize and standardize the work, the work will become easy and win the active response from the masses. Xing Chongzhi also said: Recently many counties held elections to elect personnel for new terms of office. New leading bodies should have new mental attitude and new styles. All our comrades, no matter whether they are new or old, local or from other places, should proceed with the interests of the people when thinking things over and carry out work, and truly use the power entrusted by the people to work for the people.

Wang Qun Visits Bayannur League 29-31 Mar

SK1405034790 Hohhot NEIMENGGU RIBAO
in Chinese 2 Apr 90 p 1

[Text] Wang Qun, secretary of the autonomous regional party committee, went to Bayannur League to conduct investigations and study from 29 to 31 March. After extensive discussions with grass-roots cadres and the masses, and field investigations, he emphasized: We should proceed from reality in thoroughly implementing the guidelines of the sixth plenary session of the party Central Committee. The current practice of pooling "power, material resources, financial resources, intellectual resources, and the might of ideological and political work" to render comprehensive services successfully is a good method to implement the principle of "strengthening the ties between the party and the masses, and improving the relations between the party and the masses" as put forward at the sixth plenary session of the party Central Committee.

During his investigation tour in Bayannur League, Wang Qun visited dozens of towns and townships in Urad Front Banner, Wuyuan County and Linhe City. He went to farmlands to inspect spring farming, and visited peasant households to hold discussions. He asked about people's opinions and demands, and discussed with them the major policies for realizing the three short-range fighting goals of the autonomous region and accelerating the development of the rural economy. Wang Qun fully affirmed this year's spring farming of Bayannur League. He said: The rural situation of Bayannur League characterized by a gratifying scene of vigor everywhere is very inspiring. Thanks to early and conscientious efforts in spring farming, and the stable feeling and high enthusiasm of grassroots cadres and the public, the areas sown to grain were expanded, input in production increased, and the level of scientific farming has improved. This has laid a solid foundation for the league to bring its agriculture to a new level.

Wang Qun pointed out: Why is it that the rural situation of Bayannur League is so good this year? First, the party's line, principles and policies are good, and have won the popular support. He said: The party's line, principles and policies reflect the fundamental interests and the desires of the people. What they want are affluence, developed production, and a change in the present situation. What they oppose is disturbances, and what they fear are a change in policies, arbitrary demand for money or charges of fees, and non-disposability of farm and sideline products. Our various policies, including Bayannur League's policy of protective price for wheat purchased at negotiated prices, have won the support of the masses, boosted the enthusiasm of peasants, and promoted production. Second, cadres at various levels have gone deep into the grassroots to carry out practical work for the masses. Throughout the league, more than 4,000 cadres have gone to the grassroots to strengthen comprehensive services by delivering science and technology, chemical fertilizer, plastic

sheets, diesel oil, loans and seeds to the people. The masses feel very satisfied, saying that "the old traditions of the Communist Party have come back!" This is very conducive to maintaining closer ties between the party and the government, between the party and the masses, and between cadres and the masses, enables the masses to see the superiority of socialism, helps raise the party's position in their minds, and is where our strength lies. Third, leading persons are bold and resolved, and have good methods. Wang Qun highly praised the party and government leaders at various levels of Bayannur League for developing the might of the party's ideological and political work, exerting great efforts to mobilize and unite the masses, hold discussions and set an example for the purpose of greatly promoting agriculture, comprehensively enforcing the system of scientific and technological group contract, and opening up a new situation in pooling "power, material resources, financial resources, intellectual resources, and the might of ideological and political work."

Speaking on current work, Wang Qun emphasized that the most important thing is to step up implementation of the guidelines of the sixth plenary session of the party Central Committee. He pointed out: The best and most effective method for implementing the guidelines of the sixth plenary session of the party Central Committee is going deep into the masses, the realities of life and the forefront of production, attending to the two civilizations simultaneously, sharing weal and woe with the masses, and solving the people's problems in their production and life that need urgent solutions. Based on the actual conditions of our region, the second plenary session of the fifth autonomous regional party committee put forward ten requirements. The most pressing one is to go deep into the forefront of production, plants and rural areas to solve the people's urgent problems in their production and life. This is actually the implementation of the party's line, principles and policies among the masses through our practical deeds, and enables the party and the people to establish flesh-and-blood ties between them. By so doing, we not only straighten out unhealthy party style but solve the problems of bureaucracy and subjectivism; and not only maintain close ties between the party and the masses, and develop production but train cadres and enable them to maintain their true qualities and remain clean and honest. Wang Qun said: Leading cadres' going down to the grass roots is different from ordinary people's going down to the grass roots. Major issues will not be resolved if leading persons are not resolved to attend to them personally. Therefore, it is very important for leading cadres to go deep into the grass roots. Leading persons should go to the realities of life to study and solve problems, and carry out practical and beneficial work. They should be resolved to carry out the work that they think should be done.

Wang Qun stressed particularly: In view of the current difficulties and arduous tasks, we should develop the role of the party's collective leadership all the more, and continuously strengthen unity. This is the key to the key.

Leading bodies at various levels should always uphold party leadership, persist in democratic centralism, trust and support one another, lead the masses to overcome difficulties, achieve success in the work of their own localities, departments and units, and consolidate and develop the stable and united political situation.

Northeast Region

Liaoning Export Development Plans Announced

HK1405031190 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14 May 90 p 2

[By staff reporter Zhang Yu'an]

[Text] Liaoning Province's ambition is to take a leading position in the country's opening to the outside world, its governor said recently.

According to the plan, the Northeast China province, a major heavy industrial base in China, will work to become an important exporting base—absorbing and digesting foreign advanced technologies; attracting foreign investment; and providing economic information.

To realize the goal, Governor Li Changchun said, the province will further improve its investment climate through development of its infrastructure, including highways, ports, telecommunications and electricity.

The Shenyang-Dalian Highway, with a length of 375 kilometres and costing some 2.2 billion yuan (\$468 million), is expected to be completed and put into operation in September this year, Li said.

Its opening will cut the travel time from Shenyang—the province's capital to Dalian—its major port city by half, Li said.

Meanwhile, the province plans to build another three highways within five years.

The highways will connect Shenyang with Fushun, Benxi and Tieling, all major industrial cities.

With a natural advantage of being on a peninsula, the province is famous for its sea ports, such as Dalian, the biggest sea port in Northeast China and Lushun, a homeport for the Chinese navy.

In the next step, Li said, the province will target the development of the ports of Yingkou, Jinzhou, Panjin and Dandong.

Li said that the U.N. Development Programme had showed its agreement with these plans by co-operating with the province to develop the Yingkou Port, which is close to South Korea.

But he declined to mention in what form.

In the coming two years, the province will expand its programme-controlled telephones to 300,000 from the present 250,000.

Construction of satellite and microwave telecommunication stations are now under way, Li said.

By then, people in most cities and some counties of the province can dial directly to major cities in the world, he said.

To ease its electricity shortage, the province is considering the construction of a number power station with Soviet-made equipment, its Vice-Governor Zhu Jiazhen said.

Late last month, during Premier Li Peng's visit to Moscow, China signed an agreement with the Soviet Union to introduce two sets of Soviet-made nuclear power station equipment.

The province also plans to push a number of its big and medium-sized enterprises into the international market, the governor said.

Addressing a provincial conference on opening to the outside world, the governor said the province should make efforts to develop high-technology products and competitive export commodity production centres, specifically enterprises with annual earnings of over \$10 million each, townships with annual earnings of over \$1 million and cities with annual earnings of over \$100 million.

After the State Council approved the further opening of the Liaodong Peninsula, and of Dalian, Dandong, Yingkou and Shenyang, the surrounding counties on the peninsula have developed rapidly.

In 1989, Liaoning's exports increased 12.5 per cent to \$2.12 billion. The proportion of machinery and electronics jumped from 3.5 per cent of the total in 1987 to 13.3 per cent of the total in 1989.

Foreign investment has increased rapidly. The province has signed contracts with overseas investors calling for a total investment of \$5.02 billion, 50 per cent in direct overseas investment.

Last year Liaoning approved 270 foreign-funded enterprises, including 20 solely foreign-invested firms, bringing the total to 747. The 325 foreign-funded firms produced a combined output valued at 1.6 billion yuan (\$339.7 million), earned profits and taxes of 230 million yuan (\$48.83 million) and earned \$230 million from exports.

Dalian put two 350,000-kilowatt generating units into operation, increased its water supply capacity and opened 19 international air routes last year. The city has undertaken 105 foreign-funded projects worth \$378 million since June last year.

Shenyang, the leading heavy industrial centre in Northeast China, has a conglomerate composed of 60 big and medium-sized enterprises, which provides 60 per cent of

the city's exports. In addition to developing trade relations with Eastern Europe, they have set up trading arms and joint ventures in 20 other countries.

Shenyang has also designed 35 square kilometres to be developed as an export-processing area.

In the past five years the Dalian economic and technological development zone has invested 580 million yuan (\$123 million) in infrastructure and signed contracts with overseas investors for the establishment of 140 firms involving 2 billion yuan (\$424.6 million) in investment.

CPC Central Office Views Student Control

HK1405084390 Beijing GUANGMING RIBAO
in Chinese 12 Apr 90 pp 1, 4

[Article by the Research and Study Department of the CPC Central Committee Central Office: "What Are the Merits of Their School-Running Experience?—A Survey of the Shenyang Electricity Institute"]

[Text] Editor's Note: The survey report published here illustrates, with lively facts, the educational experience of the Shenyang Electricity Institute which is a worthy reference and lesson for friends in the educational circles.

The key reason why the Shenyang Electricity Institute, an ordinary college, has achieved results and gained experience in the path of socialist educational reform is good institute leadership and the fact that the institute party committee has remained, from beginning to end, the center of political leadership. The solid political leadership provided by the center has been able to implement the party line, direction, and policies in various school affairs and steer the school's educational activities in the socialist direction. Such a firm political leading center has enabled cadres to be clean and dedicated, to set personal examples of whatever they demand of teachers and students, and to maintain close relations with teachers and students with exemplary behavior. Only with such a firm political leading center can we search for and grasp the regularity of educational management and be "strict where strictness is required and show subtle concern," so that students will feel that the school's series of strict administrative measures are an expression of the college's most sincere concern for them. [end editor's note]

Over the last few years, work in institutes of higher learning has been afflicted by three problems: One, is it true that in the major social environment, in which there are some problems, there is no way to change the minor environment in institutes of higher learning? Two, should institutes of higher learning give top priority to education in ethics? Third, whom should these institutes rely on in striving for stability? The educational practice of the Shenyang Electricity Institute (Shenyang EI for short) in the last five years provides a reference for

correctly answering the above three problems. The Shenyang EI was upgraded from a secondary-level electricity institute into a college in 1985. Currently it has 2,500 students and 630 teaching and non-teaching staff. Among its educational achievements two are particularly outstanding: One was maintaining order amid a "shock." During the turmoil between last spring and summer—when students of neighboring universities boycotted school and demonstrated—this campus remained peaceful, school teaching was normal, and small Learn From Lei Feng groups continued their free-of-charge bicycle repairs and haircuts for passers-by at the college entrance, with their Communist Youth League flag waving. Not one student in the six classes engaged in field practice outside of the institute participated in the local marches. Two, graduate students were all highly commended by units to which they had been assigned to work. Over a thousand graduate students were assigned to work in the Yuan Baoshan Thermal Power Plant, Baishan Hydropower Plant, and Daya Nuclear Power Plant in Guangdong. They respected the workers there and were hard working, persistent in solving technological problems, available, and reliable.

There is nothing extraordinary about the institute's educational environment and conditions. In terms of the social milieu, the institute was subject to similar negative social factors. In terms of economic conditions, the institute is directly under the Bureau for the Administration of Northeast Electricity; its educational financing and teachers' welfare are relatively, but not significantly, better. As for the qualifications of the teaching force, around 80 percent of the institute's teachers are middle-aged and young persons, and many of these are recent graduates of other institutes of higher learning or of the institute itself. Why have they, under broadly similar conditions and environment, achieved such outstanding educational results? What exactly are the merits of their educational experience? With these questions in mind, we met and held discussions with the leaders and young teachers of the institute and visited laboratories, student quarters, and canteens. Three things impressed us most during the survey.

First, Tighten Discipline at the Institute and Rule It With Strict Regulations

Five years ago, the institute was upgraded into a college. Under the influence of intellectual currents, which blindly worshipped Western educational experiences, it relaxed control over students and the results were frequent absences without reason, students sleeping outside the campus, cheating on examinations, fist fights, and so on. Some working students (party members) led students in boycotting school meals. After careful consideration the school authorities concluded: lax campus discipline, rampant and extreme individualism, and anarchism were the result as well as cause for the spread of bourgeois liberalization, and that the situation could not be allowed to continue. A school must look like a school and a student must act like one. It was necessary to put in order school discipline, to resume and build normal

school order. Only thus can teaching activities be conducted smoothly and effectively. Aiming against the "often seen and frequent diseases" among students, they drafted and promulgated the "eight decisions for stern management of the institute." Its main contents were:

1. Students who stir up trouble during study periods will be, without exception, expelled from the institute.
2. Students who cheat in examination will get zero marks and will not be given a normal make-up examination and, moreover, the status of the student will be put on probation. If found cheating at examinations twice during study periods, the student will be struck off the school roll.
3. Students who are involved in brawls or disturb public order will be disciplined with misconduct or above.
4. Students who, without permission, do not report to school as scheduled or leave school ahead of schedule will be disciplined. Students who cut classes (including self-revision classes) for two hours or above, will be reprimanded or disciplined subject to individual cases. Students who cut classes for more than 24 hours in one semester will be ordered to quit school.
5. Students who boo, clap sarcastically, make faces, cheer loudly, or make a row at assemblies will be ordered to leave the assembly at once and will be disciplined.
6. Students who play ball indoors—such as in corridors—deface walls, kick at doors, vandalize school property, or play football in the small sports ground will be disciplined.
7. Staff on duty will register students' bedtime or the time when they return to school. If a student twice (the second time included) spends the night outside of school without leave, his conduct will be downgraded, the extent being subject to individual cases. Students who complain without reasonable cause will be disciplined.
8. The semester conduct evaluation of students who have been disciplined will be downgraded and, subject to individual cases, their study grants will be reduced and scholarships canceled. Students whose conduct is twice ranked as "poor" during his study period will not be graduated.

The announcement of the "eight decisions" shocked the whole campus, and there was praise and condemnation. Some people said: "Do not pay attention to such things. We neglect our bed sheets when we get up, this shows how talented we are as university students." Some said: "We cannot be run with rules that suit students at high school and primary school." The school authorities retorted: "You have failed to do what you should have learned to do at high school and primary school. Is it not time you made it up?" To unify understanding of the policy of "stern management of the institute," the institute organized teachers and students to study articles such as Engels' "On Authority," Comrade Mao Zedong's "Combat Liberalism," and Comrade Deng Xiaoping's

"Only by Relying on Ideal and Discipline Can There Be Unity." It eliminated various kinds of resistance, and unwaveringly propagandized and enforced the "eight decisions." The school authority was not afraid of aggravating the situation nor the possibility that the school would not be rated as "advanced." It resolutely dealt with three party member students who headed the boycott of school meals (ranging from inner-party warning to extending, by one year and six months respectively, the preparation period for party membership. These students learned from the lesson and their performance has been relatively good after graduation). Once two students cheated in examination and were dealt with on the spot; their names were publicized. Forty students failed to return to school on schedule following the "1st May" Labor Day festival. There was speculation that the school would not dare to interfere for no other reason than "law could not condemn an act if there is massive violation." But the school authority did not so much as flinch and, in strict accordance with the amount of the school hours skipped, punished these students with warnings and orders to quit school. On another occasion a student was ordered to quit school for hitting someone. His parents pleaded for mercy through their connections. But the school authority did not show any favors and handled the case strictly according to regulations. After months of efforts, the "eight decisions" were finally accepted by all of the teachers and students and have become a hard and fast rule guiding students' daily lives. When observance of school discipline becomes a trend and a habit, it will acquire an intangible force and, instead of dampening it, will help students' personality develop healthily and fully in a united, alert, earnest, and lively campus life.

Why haven't the strict requirements drawn a rebellious reaction from students? The school's understanding was: "To be strict where strictness is required and to show subtle concern for students." They made students understand that the strictness was prompted by love, that it was for their own good that the school was being harsh with them. At the same time the school adopted a series of measures to show its concern for students and make the school a warm home. There was a school bus pick-up service for students on school term opening days and holidays; wrapped-up dumplings and mooncakes during the Dragon Boat and Mid-autumn festivals, and special medical care. On graduation days the school authority and teachers were always present for the occasion to bid farewell to students. Once a student felt hurt by a severe criticism by his classmaster. But later when he was running a fever the classmaster personally cooked a meal and took it to him. For "there is criticism as well as concern." It was care coupled with firmness that had enabled the implementation of the policy of running the school with firmness and helped make college life rich, colorful, and unforgettable.

The current attempt to stabilize institutes of higher learning requires efforts from many sectors. Tightening

school discipline and running schools with a firm hand can be viewed as a more effective and pin-pointing measure.

Second, Give Top Priority to Ethic Education

There should be a balance between ethical, intellectual, and physical education, and among which ethical education should serve a guiding function. Far-sighted ideals and good discipline will unleash tremendous and sustained inner force which will prompt an individual to pursue new knowledge and strengthen his physique. One regular demand of socialist school education is to place ethical education in the foremost position and foster laborers with ideals, morality and culture. The initiative and resoluteness of Shenyang EI as shown in its move to put ethical education at the front rank had to do with its correct educational ideology. Of course, the requirements of electric industries also make their marks on educational practice (such as electric grids, which is technologically intensive; enterprises under semi-military management; and the far stricter demands of such qualities as a sense of responsibility for workers, discipline, and coordination). Young teachers pointed out at a seminar that the present placement of ethical education at the forefront position differed in focus, contents, and style from the past practice of "taking class struggle as the key link." Previously ethical education was placed before everything else: intellectual education was excluded and even "class was suspended to make way for revolution." This time emphasis has been laid on knowledge acquisition as well as education of personality, fitting ethical education on the normal curricula. All teaching activities focus on changing students' ideology and promoting their full development.

Shenyang EI has developed a lively and active three-in-one ethic educational system: the combination of "classroom education—social practice—life after school." On the one hand the school vastly improved the teaching of Marxist theory, highlighting its relevance. On the other hand it attached importance to practice, including labor sessions in the teaching plan in an attempt to foster an inclination for labor work. The school has insisted on launching on the campus the Learn-Lei-Feng drive. It organized several dozens groups, called "respect the aged and persons of propriety," which provided long-termed service for old teachers and retired teaching and non-teaching staff. During field activities many students offered help to train stewardesses with water supply and cleaning jobs and eagerly helped passengers. Students had also undertaken the cleaning of the corridors of the main teaching building, students' quarters, and the campus. Practice proved that it was good for university students to participate in labor. Some students said, away at home I am the key "protected animal," doing nothing except study. But after the labor sessions I have shed the university student style and felt proud of being an ordinary laborer. There must be a correct policy line in assigning the forefront position to ethical education so that students will be taught to be concerned about ethics in matters of

personal interests. Students are most concerned about job assignment, and so the school started with improving and reforming the graduate students' job assignment system, directing students to giving top priority to the consolidation of political direction and raising moral standards. The school made public the policy and programs of job assignment, which were based on combined evaluations and selection of better students. The assignments were put on notice boards. Making more open the graduate students' job assignment system will effectively curb unhealthy tendencies. Students were encouraged to compete fairly among themselves according to the requirement of full ethical, intellectual, and physical education. A student said: "If I had known that this is the way jobs are assigned I would have studied hard and performed well."

Third, Trust and Rely on Teachers

The Shenyang EI party committee believed that to carry out the party's educational policy it had to trust and rely on teachers and, with this, to build a top-quality teaching force and thus create a tremendous concerted effort at education. Teachers, and particularly those with rich teaching experience and enjoying authority among students, are the main body for the educational force. Most of the young teachers with the school took up teaching work after the party's Third Plenary Session of the 11th Central Committee. They are energetic and naturally get along with students. The school party committee, making old teachers lead new ones, guided young teachers toward inheriting and expanding the good tradition of knowledge teaching and educating people and made use of policy levers such as teacher evaluation grade level to encourage teachers to continually improve their teacher's quality. The school has also launched bold reform in the personnel system, carrying out a recruitment system for all teaching and non-teaching staff in order to encourage more and better teaching. To develop a stable force for students' ideological and political work, the school authority made the job performance evaluation, wages, bonuses, and housing of student counselors and classmasters the same as academic subject teachers. In this school, young teachers were proud of being a classmaster and contest among teachers for a classmaster post became a trend. A politically strong teaching force enjoying close relations with students is the most positive and reliable force for the stabilization and development of the school, whether in normal days or emergency periods.

Shenyang EI is an ordinary college. The key for their bold and successful exploration and practice on the path of socialist educational reform lay with the good leading group at school and the excellent performance of the party group as a political center. Zhang Xinrong, secretary of the school party committee, aged 58, was admitted to the party in 1953. The institute president, Ma Delin, aged 57, was admitted into the party in 1956. The school leading group enjoyed unity. All of the members were devoted to educational affairs, understood educational management, dared exercise their

powers, and were afraid offending people. So whatever leadership system the school adopted the school party committee had remained the firm leading center. Over the last years it has persisted in the half-a-day-a-week central group study arrangement, studying seriously and promptly central and superior's directives and implementing them in accordance with school's practical conditions. The party committee's organs at various levels maintained close relations with teachers and students with exemplary acts. Party cadres and party members were the first to do what was required of teachers and students. Members of the school leading group often bathed, ate, talked, and exchanged thoughts with students and teachers at cafeteria and living quarters. They enjoyed no particular status in housing, wage-scale increase, or benefits for their children. Impartiality produces uprightness, and might accompanies integrity. If the party style of the school party committee is clean, then it will dare to touch the powerful and mighty in enforcing school discipline and curbing unhealthy tendencies.

The reason why Shenyang EI's school-running experience is good is because, in sum, they have inherited and expanded the party's good tradition and experiences in education in conjunction with historical conditions and have made innovation in certain aspects. The reform and development of higher education in our country would benefit and draw inspiration from their practice and explorations. At the same time we should also realize that all kinds of experience carries its own limit. Schools vary and students at art, technical, industrial, agricultural, and medical colleges come from various circles and have different intellectual backgrounds. Training targets are also different. Schools also vary in histories and working conditions, so there should be different problems as well as resolutions. Shenyang EI's educational experience needs further summing up and development. But we believe that, as educational reform deepens and educational affairs develop, there will be more good models and much richer experience from various schools.

Sun Weiben Inspects Armed Police Forces

SK1505065190 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 8 May 90

[Text] On 5 May, while inspecting the provincial armed police forces, Sun Weiben, secretary of the provincial party committee, pointed out that the armed police forces should play a special role in safeguarding the sustained stability of the society.

On 7 May, accompanied by Bai Jingfu, director of the provincial Public Security Department; Senior Colonel Sun Zhongguo, political commissar of the provincial armed police forces; Senior Colonel Luo Hongxiang, commander of the provincial armed police forces; and leaders of a border police unit, Sun Weiben, secretary of the provincial party committee; Zhou Wenhua, deputy secretary of the provincial party committee; and Du

Xianzhong, vice governor of the province, conducted investigations and studies of some units under the provincial armed police forces, visited some officers and soldiers, and inquired about their living and working conditions.

After hearing a report on this year's work made by a leader of the provincial armed police forces, Sun Weiben said: At the moment, the domestic and international situation remains very complicated. As far as the province is concerned, stability remains the overriding task at present. He pointed out: The position of armed police forces is special, and the tasks they shoulder are also very special. Armed police forces, leading organs in particular, should understand this point. On the one hand, armed police forces should constantly strengthen the work of improving themselves, strengthen the ideological education and theoretical study among officers and soldiers, and conscientiously subject themselves to the absolute leadership of the party. On the other hand, armed police forces should further improve their military and professional expertise, set strict demands on themselves, and constantly improve their combating and patrolling capacity in order to better shoulder the duty of safeguarding the social order of the province.

Liaoning Secretary Attends Reservoir Ceremony

SK1505015990 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 10 May 90

[Excerpts] A ceremony to mark the beginning of the construction of the major dam and power station for the Guanying Reservoir was held in Benxi County on 10 May. Provincial Vice Governor Xiao Zuofu presided over the ceremony. [passage omitted]

Ours is a province with extremely scant water resources. The per capita amount of water resources of the province accounts for merely one third of that of the country, and one half of that of the world. In addition, the geographical and seasonal distributions of the water resources in our province are very uneven. Seventy percent of the water resources come from lakes, and difficulties exist in the supply of water to cities and for farm use. A shortage of water resources has become a social problem. Construction of the Guanying Reservoir in the upper reaches of the mainstream of Taizi He in Benxi County will help ease the shortage of water resources.

Attending the ceremony were Quan Shuren, secretary of the Liaoning Provincial Party Committee, and Li Changchun, provincial governor. Yang Zhenhuai, minister of water resources, made a special trip from Beijing to attend the ceremony. Also attending were Feng Yousong and Li Jun, vice chairmen of the provincial People's Congress Standing Committee; Zhao Qi, adviser to the provincial government; Lin Sheng and Xiao Zuofu, provincial vice governors; Yue Weichun and Peng Xiangsong, vice chairmen of the provincial Committee of the Chinese People's Political Consultative Conference; [name indistinct], former minister of

construction of Japan; and Michi Takahashi, consul general of the Japanese consulate general in Shenyang. [passage omitted]

Quan Shuren Attends Award Event for Experts

SK1505020990 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 9 May 90

[Text] On the afternoon of 9 May, leading comrades from the provincial level organs attended the commendation meeting held in the city of Shenyang in honor of experts who had made outstanding contributions and presented certificates to them.

Since 1984, 48 comrades across the province have been successively commended by the Ministry of Personnel as scientific, technological, and managerial experts who have scored marked achievements, and such titles have also been conferred by the provincial People's Government on 389 comrades. These experts are outstanding personages who have emerged among intellectuals across the province and have made tremendous contributions to developing science and technology and the economy.

Quan Shuren, secretary of the provincial party committee, and Chen Suzhi, vice governor of the province, delivered speeches at the commendation meeting in which they pointed out: Commending the experts who had made marked contributions has encouraged the spirit of working hard and making progress among specialists and technical personnel and played a role in promoting the building of the ranks of specialists and technical personnel in the province. The speech by Comrade Jiang Zemin at the report meeting on marking the anniversary of 4 May movement has confirmed the important position occupied by intellectuals in building socialist modernizations in the country. In their speeches, they urged experts and the broad masses of scientific and technological personnel to work hard and to make positive contributions to stabilizing production and the situation.

Also attending the commendation meeting were Cheng Jinxiang, vice chairman of the provincial People's Congress Standing Committee; Li Ming, vice chairman of the provincial Committee of the Chinese People's Political Consultative Conference; and Sun Yukun, secretary general of the provincial People's Government.

Northwest Region

Li Ziqi Addresses Gansu Plenary Session

HK1405143590 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 12 May 90

[Text] The Fourth Enlarged Plenary Session of the Seventh Gansu Provincial CPC Committee ended in Lanzhou yesterday (12 May). Yesterday morning's meeting was presided over by Jia Zhijie, deputy provincial party secretary and provincial governor. The meeting approved the opinions of the Gansu provincial

CPC Committee on implementing the decision of the CPC Central Committee on strengthening the ties between the party and the masses. The opinions are divided into nine parts, and include 49 clauses and articles. Over the past few days, participating comrades discussed the opinions and unanimously maintained that the provincial CPC Committee had promptly formulated the important opinions in light of the situation of party-and-people bonds, and the important problems existing in our province, and that it had effectively integrated the spirit of the central authorities and the local conditions in Gansu. With objective view in mind, the provincial CPC Committee formulated the opinions and measures for implementing the decision of the central authorities. All participants generally believed that as long as we made firm efforts to implement the opinions, we will achieve results this year or next.

Provincial party secretary Li Ziqi addressed the meeting. He said: In their discussion, all participants are most concerned with the issue of the implementation of the opinions. We must attach importance to this matter. We must understand the importance of strengthening party-and-people bonds in terms of the purpose, aim and guidance thinking of the party, and sum up historical experience. We must profoundly and meticulously promote the education in mass viewpoints and mass line in various practical work, so that party members can transform their subjective world in the course of transforming the objective world, and consciously overcome the defect of divorcing themselves from the masses.

While talking about economic work, Li Ziqi stressed: At present, we must first promote stability, and second go all out to do our work well. We must strengthen the position of agriculture as our foundation, and try everything possible to enhance our economic results. He urged party committees and governments at all levels to truly overcome the situation of weak grass-roots work, and regard doing more practical work for the masses as the focal point of our grass-roots work. In the meantime, we must strengthen supervision inside the party, and establish and perfect our supervisory system and institutions. We must strictly enforce discipline, and be strict and fair in meting out rewards and punishment.

In conclusion, Li Ziqi said: As long as we persistently believe in the party line, firmly grasp implementation at all levels, and unswervingly have faith and rely on the masses, we will advance in the course of overcoming difficulties and conquering setbacks.

Members of the provincial CPC Committee Standing Committee Lu Kejian, (Huang Xinteng), (Wang Zhengchang), Zhou Yuechi, (Liu Yuhuan), Huang Zhengqing, and (Zhang Ke), and members and alternate members of the provincial CPC Committee attended the meeting.

Members of the provincial Advisory Commission, provincial Discipline Inspection Commission members of the Central Advisory Commission who were in Lanzhou,

responsible comrades of the seventh CPPCC National Committee Standing Committee, the seventh national people's congress standing committee who were in Lanzhou, provincial People's Congress Standing Committee, provincial government and provincial military district attended the meeting as nonvoting delegates.

Those who attended the meeting as nonvoting delegates also included main party and government responsible comrades from various departments directly under provincial authorities, various prefectures, cities and autonomous prefectures, large enterprises, scientific research units at and above prefectural levels, and universities and colleges.

Commentary Denounces Counterrevolutionary Acts

OW1405182090 Urumqi Xinjiang Television Networks in Mandarin 1300 GMT 14 May 90

[Announcer-read commentary by Xinjiang People's Broadcasting Station and Xinjiang Television Station: "Counterrevolutionary Activities Under a Religious Banner Are Absolutely Prohibited;" from the "Xinjiang News" program]

[Text] Recently, a handful of ruffians in Baren Township instigated a counterrevolutionary armed rebellion under a religious banner, which was aimed at undermining the motherland's unification and at subverting the people's regime. We must thoroughly expose the scheme to carry out counterrevolutionary activities under the pretense of religion.

For a long time, a very small number of national separatists have often used religion to carry out counterrevolutionary activities to realize their sinister aim to undermine the motherland's unification and national unity. They have spread religious mania and instigated the so-called war against heathens, under the pretext of revitalizing Islam, in a vain attempt to stir up national hatred and confrontation. Trying to win over youngsters from us, they set up illegal schools to teach religious scriptures and instill separatism in students. We must maintain a high degree of vigilance against their criminal activities.

Counterrevolutionary activities under a religious banner are extremely demagogic and deceptive. In our struggle against evil people carrying out national separatist activities under the pretense of religion, we must draw a clear line of demarcation between the enemy and ourselves. Whoever opposes the party and socialism and undermines the motherland's unification and national unity is our enemy, regardless of his nationality and religious belief. Conversely, he who does not oppose the party and socialism and who does not undermine the motherland's unification and national unity is one of us. We should not distinguish between the enemy and ourselves on the basis of nationality or religion. People of one nationality should not regard those of another as enemies. Nor should people who believe in a religion regard those who do not believe in the religion as enemies. In a vain

attempt to exploit the difference between religious beliefs, the very small handful of national separatists tried to stir up national hatred among the people of various nationalities, who are close and united. Their evil attempt is bound to end in failure because it is contrary to the vital interests and aspirations of the people of all nationalities.

For many years, the large number of patriotic personages in Xinjiang's religious circle have supported the party's leadership, loved the country, and abided by the law, assisting the government in carrying out a host of services, and making important contributions to safeguarding the motherland's unification and to promoting national unity and social stability. Achieving stability is presently a task of overriding importance. Should a disturbance occur, it would bring only calamities to the people of all nationalities, including the large number of people in religious circles, and would preclude them from carrying out normal religious activities. The large number of patriotic personages in religious circles should remain sober-minded and value overall stability by displaying their patriotic tradition and resolutely struggling against words and deeds that undermine the motherland's unification, national unity, and social stability. We should on no account allow separatists to use religion to carry out counterrevolutionary activities. Adhering to the principle of maintaining independence and keeping initiative in their own hands, people in religious circles should sharpen their vigilance and wage a resolute struggle against hostile forces abroad who use religion to carry out infiltration and sabotage. Under no circumstances should we let their conspiracy succeed.

Party and government leading organs at various levels should correctly implement the party's policy toward religion, and respect and protect the right of the masses to believe or not to believe in a religion. It is necessary to strengthen supervision over religious activities and venues for such activities, protecting lawful religious activities while firmly cracking down on illegal religious activities. It is necessary to thoroughly expose and deal telling blows at those who carry out counterrevolutionary activities under a religious banner, to ensure that religious activities are carried out within the normal scope prescribed by the state constitution and laws.

Xinjiang Leaders Meet Student Representatives

OW1305123290 Urumqi Xinjiang Television Network in Mandarin 1300 GMT 9 May 90

[From the "Xinjiang News" program]

[Text] [Video opens with wide shots showing Wang Enmao and other leaders, clapping hands, walking past students standing in line, and shaking hands with them] On the afternoon of 8 May, Wang Enmao, Song Hanchang, Tomur Dawamat, Janabil, Ba Dai, (Keyoumu Bawudong), Shi Geng, Huang Baozhang, (Guo Gang), (Hailitiemu Silamu), and other Xinjiang leaders called

on all student representatives attending the Third Congress of the Xinjiang Autonomous Regional Students Federation.

[Video focuses on Song Hanliang speaking, through a loud speaker, to students standing in line in open air] At a meeting with student representatives, Song Hanliang, secretary of the Xinjiang Autonomous Regional CPC Committee, said: We need intellectuals of the new generation to devote themselves to socialist construction. You are the reserve forces for socialist construction. Currently, you should earnestly study General Secretary Jiang Zemin's speech at the Beijing report meeting to mark the May 4th Movement and gain a clear idea of the course young intellectuals should follow. Song Hanliang hoped students of all universities and technical secondary schools in Xinjiang would earnestly study

Marxism, Leninism, and the Mao Zedong Thought; learn science and general knowledge; and make contributions to socialist construction.

[Video cuts to show Wang Enmao speaking to students through a loud speaker] Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, urged students of all nationalities in Xinjiang to earnestly study Jiang Zemin's speech and march forward along the path created by revolutionaries of the older generation.

After the meeting, leaders of the autonomous region and student representatives had a photo taken together. [Video closes with long shots of leaders and students posing for a group photo]

Taiwan Warned of 'Consequences' of Radio Ship*HK1505055490 Hong Kong TA KUNG PAO
in Chinese 15 May 90 p 2*

[Editorial: "The Taiwan Authorities Should Rein In on the Brink of the Precipice"]

[Text] Hired by a group of "Democratic Front" elements who fled the country, the ship "Goddess of Democracy" has arrived at Keelung Port in Taiwan. Under the banner of "democracy and freedom," this radio ship will beam its instigative and subversive broadcasts to the Chinese mainland. As everyone is aware, its purpose in selecting May or June to arrive in the Taiwan Strait is to take advantage of the first anniversary of the "Beijing storm" in May and June last year to incite antigovernment activities on the mainland and cause social unrest and turmoil. Naturally, the Chinese Government will not tolerate this.

In answer to reporters' questions on 20 April, a Chinese Foreign Ministry spokesman explicitly pointed out: The purpose of the ship "Goddess of Democracy" is to subvert the Chinese Government. The Chinese Government objects to any country, region, organization, or individual providing support or conveniences for the ship's activities. The spokesman added: Providing support for this ship's bearing of subversive broadcasts from Chinese or international waters to the Chinese mainland violates international law and the norms governing international relations.

Obviously, the brazen, instigative, and subversive activities of the ship "Goddess of Democracy," aimed at subverting the mainland government, run counter to international law. Many people in legal circles around the world have pointed out the ship's illegality. Article 109 of the "UN Maritime Treaty" adopted in 1982 provides: "Wireless or television broadcasts from a ship in international waters carried out in such a manner that the public may listen or watch constitute unapproved broadcasts." Radio broadcast regulations of the International Telecommunications Alliance also stipulate: "It is impermissible to install or use broadcasting stations on ships, aircraft, or other floating or flying objects outside a country's boundaries" (except for SOS radio signals). Its regulations also say: "Radio stations on ships are forbidden to engage in broadcasting business." For this reason, on 29 April (Tacanna), secretary general of the International Telecommunications Alliance, informed the Geneva office of the Chinese permanent representatives to the United Nations that it is illegal for the ship "Goddess of Democracy" to beam broadcasts against the Chinese Government. Some people in international law have even said that should China take some corresponding measures against the ship, this would comply with the 1982 International Maritime Treaty.

It has been 50 days now since the ship Goddess of Democracy has left France. Because its purpose is obvious, ports in some countries and regions have

refused it entry. But the Taiwan authorities are providing all-out support. They have provided half of the funds, totaling \$1 million, required by the radio ship, and allowed it to berth at Keelung Port, where the ship is receiving logistics supplies and "operational cooperation."

According to a disclosure about a secret treaty now being rumored in foreign press circles, the so-called "operational cooperation" includes allowing the ship to use Keelung's broadcasting facilities. The radio ship arrived at Keelung Port on 13 May. The Taiwan authorities organized a grand "civilian" welcoming ceremony for the ship. All kinds of supplies and broadcasting equipment were delivered to the ship. Some "Democratic Front" leaders were invited to Taiwan, where they received a "welcome" organized by the authorities and held a press conference. What is obvious to everyone is that the Taiwan authorities are providing every opportunity for "Democratic Front" elements to carry out wanton antimainland propaganda.

On the other hand, the Taiwan authorities have been asserting that they "are not involved" and "have not joined or supported the ship's broadcasting activities." They also said "civilian" activities have nothing to do with the "government." These mean tricks prove that the Taiwan authorities have provided a base for the radio ship to engage in antimainland activities.

Some people in Taiwan have also warned the authorities that they should not engage in antimainland activities by wantonly violating international law. Otherwise this could damage relations between the two sides, apart from not being sensible. These people are right. While meeting seven Taiwan "Legislative Yuan" members in Beijing last week, Wu Xueqian also mentioned the radio ship and pointed out that Taiwan should not provide support for the ship, to prevent the emergence of unfavorable consequences in the strait. This is timely advice.

Such being the case, the Taiwan authorities should immediately rein in on the brink of the precipice and stop their support for the antimainland, subversive activities of the ship "Goddess of Democracy." Relations between the two sides have relaxed and the people have benefitted from this since the mainland has been practicing opening up to the world. Relations and exchanges between the two sides over the last 10 years have not been easily built. How will the Taiwan authorities escape the consequences if these relations and exchanges are ruined?

Security Organ Captures Kuomintang 'Spies'*OW1505022090 Beijing XINHUA Domestic Service
in Chinese 2105 GMT 14 May 90*

[Text] Beijing, 15 May—According to information from the Ministry of State Security, since the beginning of this year the state security organs in various localities have cracked a number of cases involving Kuomintang spies from Taiwan who plotted to once again create disorder

on the mainland. They have captured a group of spies and agents, and unearthed a large amount of evidence about their espionage activities.

Recently, the department of state security in Guangxi Zhuang Autonomous Region cracked a case involving Kuomintang spies from Taiwan and captured five special agents—Zhou Guoqiang, Chen Hong, Luo Zhongmin, Tan Jun, and Liu Li.

Zhou Guoqiang, a male, is 26 years old. In 1989, Zhou Guoqiang and Chen Hong joined the military intelligence bureau outside China—a Kuomintang spy organization in Taiwan—and received training in espionage activities. Zhou Guoqiang was appointed "group leader with the rank of captain." The spy organization made arrangements for them to sneak into the mainland to look for and contact "underground organizations" in China that foment turmoil and to encourage them to place themselves under the command of the Kuomintang spy organization in Taiwan. After Zhou Guoqiang sneaked into China, he recruited Luo Zhongmin, Tan Jun, and Liu Li, and set up an underground team. When the case was cracked, invisible ink, film developer, code books with which they contacted the Kuomintang spy organization in Taiwan, and "application forms" filled out by Luo Zhongmin and another person were seized.

The Bureau of State Security in Tianjin Municipality cracked a case involving Du Yongsheng, a spy dispatched to the mainland by the Kuomintang in Taiwan.

Du Yongsheng, a male, is 28 years old. In 1989, he joined the military intelligence bureau outside China, a Kuomintang spy organization in Taiwan, and received espionage training such as writing with invisible ink and coded communications. He was given an alias. The Kuomintang spy organization in Taiwan made arrangements for him to sneak into the mainland to recruit more agents and wait for an opportune moment to create disorder and carry out sabotage. After sneaking back to the mainland, Du Yongsheng energetically carried out various activities according to the directives of the espionage organization. When the case was cracked, evidence such as code books and tools for the use of invisible ink used by Du Yongsheng were seized.

With the coordination of the state security organ in Yunnan Province, the Department of State Security in Shandong Province cracked a case involving Chen Andong, a spy dispatched to the mainland by the Kuomintang in Taiwan.

Chen Andong, a male, is 30 years old. He joined the military intelligence bureau, a Kuomintang spy organization in Taiwan, in 1986 and sneaked back to the mainland at the end of 1989. The Kuomintang spy

organization in Taiwan made arrangements for him to use his business operations as a cover to recruit more agents in factories and enterprises, set up underground counterrevolutionary organizations, and wait for an opportune moment to create disorder.

All the aforementioned Kuomintang spies from Taiwan candidly confessed their crimes. The cases are being further investigated.

Minister Meets Businessmen, Urges Investment

OW1405170490 Beijing XINHUA in English
1409 GMT 14 May 90

[Text] Beijing, May 14 (XINHUA)—The Chinese mainland welcomes Taiwanese business people to do business and invest in the mainland, Zheng Tuobin, minister of foreign economic relations and trade, said here today.

Zheng made the remarks while meeting with a Taiwanese delegation exploring trade and investment opportunities on the mainland.

Zheng said the mainland also welcomes Taiwanese business people to set up factories and contract projects in the mainland.

He said economic relations and trade across the Taiwan Strait are established on the basis of mutual benefit.

There is much room for expansion of the trade between the mainland and Taiwan, he said, adding that the trade volume between the two sides is only three billion U.S. dollars a year.

Last year Taiwanese compatriots invested a total of 550 million U.S. dollars in the mainland, more than the total of the previous several years.

Zheng said that his ministry will try to offer help to Taiwanese business people who invest in coastal areas as well as in the interior and remote areas.

He expressed the hope that the delegation members will work to promote the early realization of direct trade, investment, and air and shipping services between the mainland and Taiwan.

Cooperation between the two sides should also be expanded, Zheng said. Business people on the mainland want to invest, set up factories and contract projects in Taiwan. The two sides should also cooperate on contract projects in the rest of the world.

The delegation toured Xiamen, Fuzhou, Shanghai, Hangzhou and Dalian Cities between May 2 and 12 and will end their mainland visit on May 19.

President Li Teng-hui's Inaugural Plans Reported**Inauguration Events Scheduled**

OW1105224190 Taipei CNA in English
1559 GMT 11 May 90

[Text] Taipei, May 11 (CNA)—A series of colorful programs marking the inauguration of the eighth president and vice president of the Republic of China will be held at the Dr. Sun Yat-sen Memorial Hall beginning at 9:00 A.M. May 20.

The activities include:

- Representatives of national assembly will present the official seals of the president and vice president at 11:00 A.M.;
- From 11:15 A.M. to 11:35 A.M., President Li Teng-hui will receive congratulations from government and civic leaders;
- From 11:40 A.M. to 12:00 A.M., President Li will receive members of the diplomatic corps in Taipei;
- A national banquet hosted by President Li will be held at the Chungshan Building on Yangmingshan with 130 Chinese and foreign dignitaries participating.

On May 21, the president and the vice president will pay tribute to Dr. Sun Yat-sen, the founder of the Republic, at the Yuanshan Martyrs Shrine at 9:00 A.M.;

- At 10:00 A.M., the president and the vice president will pay homage to the mausoleums of the late Presidents Chiang Kai-shek at Tzuhu and Chiang Ching-kuo at Tahsi; and
- President Li will hold his first press conference as the eighth president at 3:00 P.M. May 22 at the Presidential Office.

Panama's Endara To Attend

OW1405183590 Taipei CNA in English
1545 GMT 14 May 90

[Text] Chiang Kai-shek Airport, Northern Taiwan, May 14 (CNA)—New Panamanian ambassador, Carlos Yap Chong, and his wife flew into Taipei Monday evening to take up his new responsibilities. The Yaps were greeted at the airport by Hoang Sieou-Je, director of the Foreign Ministry's Protocol Department.

The new Panamanian envoy told the press that he would do his best to cement cordial relations between Panama and the Republic of China.

Yap will present a copy of his credentials to Foreign Minister Lien Chan Tuesday.

Panamanian President Guillermo Endara, Yap revealed, would lead a delegation to the Republic of China to attend the inauguration of President Li Teng-hui on May 20.

A Chinese descendant, Yap, who can speak both Cantonese and [word indistinct] expressed his hope that he would soon speak fluent Mandarin so as to better communicate with people here.

No Foreign Visits Planned

OW1105223990 Taipei CNA in English
1555 GMT 11 May 90

[Text] Taipei, May 11 (CNA)—President Li Teng-hui was not planning to visit foreign countries for the time being, the presidential spokesman said Friday.

Chiu Chin-yi told the press that a number of foreign chiefs of state were scheduled to visit the Republic of China [ROC] this year, but President Li had not yet planned to make any foreign visits.

As to countries not having diplomatic ties with the ROC, Chiu said President Li would be happy to visit them as the head of the ROC if his visit could help promote bilateral relations.

Li Teng-hui Seeks Support for Defense Minister

OW1205045190 Taipei CNA in English
0242 GMT 12 May 90

[Text] Taipei, May 12 (CNA)—President Li Teng-hui said Friday he shared views with Defense Minister Hau Pei-tsun about the importance of selecting talent for the country.

Li made his remarks while receiving legislators, including Liu Kuo-chao, Hsu Chang Ai-lien, and Chou Shu-fu, at the presidential office.

In a recent reply to a question from the press, Hau, the soon-to-be-nominated premier, said that his personal criteria for selecting talent was having wisdom in formulating government policy and "vigor" in implementing them.

The president explained to the lawmakers why he had decided to nominate Hau, a career soldier, as the next premier. He hoped the lawmakers would support Hau when the nomination was sent to the Legislative Yuan for approval.

President Li also met with a second group of legislators Friday.

Lawmakers were not, however, the only people Li hoped to meet these days.

The president, for instance, is scheduled to receive five groups of scholars next week to hear their suggestions and opinions on the nation's future development.

It is believed that Li's purpose in meeting with the people from all walks of life is not only to solicit support for Hau but also to solicit great support for the upcoming national affairs conference to be held late next month.

President Bush Warned Policy May Be Mistake

OW1305154290 Taipei CNA in English
1353 GMT 13 May 90

[Commentary by the Voice of Free China (Broadcasting Corporation of China): "Caution on U.S. China Policy Urged"—"it does not reflect the opinion of CNA"]

[Text] Taipei, May 13 (CNA)—U.S. President George Bush has come under increasing attack, both in public and congressional circles, for his earlier attempts to placate the Chinese Communist regime in Peking, this after Peking's violent suppression of mainland China's pro-democracy movement. In all fairness, there are pros and cons to the Bush China policy, and Bush himself needs to weigh them cautiously lest he make a major historical mistake.

The criticisms of his China policy were unleashed by the revelation that he had sent his national security advisor to Peking just weeks after the Tienanmen massacre last June. Originally, Mr. Bush planned the secret contacts to help get Washington-Peking relations back on track. The U.S. Government, Congress and media had, like other foreign governments, launched a barrage of condemnations of Peking's bloody suppression of democracy protesters. Sanctions were called, but at the same time President Bush tried secretly to cozy up to Peking. This drew the ire of critics who argued that it was much too soon to make any concessions to Peking, and that it should be Peking that changes its ways, not Washington or anyone else.

The controversy rages on today as Bush has insisted on defending his earlier approach. His policy was not without some merit. Bush argued that it was in the U.S. interest not to isolate Peking too much in world affairs. He said it was vital for the U.S. to maintain its channels of influence in mainland China, with a view toward helping Peking stay close to a reformist course. No arguments with those concerns.

The con of Bush's policy of placating Peking is that it may backfire and cause the Chinese Communists to think they can get away with the repression of the democracy movement. Bush's over anxiousness to patch things up with Peking sent the Chinese Communists that very message. They never let up on the screws of the crackdown.

Now, Bush is being cautioned that his policy may have become too risky. Indeed, by showing even the slightest hint of support for the Chinese Communist regime, Bush risks alienating the Chinese people as a whole, who are fed up with Peking's ruthless rule.

Americans in particular need to worry about this potential backfire. For more than a hundred years Chinese and Americans have enjoyed a special friendship. In the Chinese mind, Americans are the only Western power that never took advantage of extra-territoriality or

unequal treaties at China's expense. Instead, America poured money into Chinese colleges and rural development projects.

The Chinese have long memories, and remember fiendly acts as much as aggressive acts against them. In this sense, the Americans have a special place in Chinese history. It shows in the Chinese tremendous liking of Americans.

But President Bush must be warned. If he goes overboard in his support for Peking, the Chinese people may interpret it as an unfriendly act, a rare happening in the Chinese-American friendship. More than a hundred years of friendship could be at stake if Bush chooses the wrong side. One would think the writing is on the wall: either he sides with the billion Chinese friends, or the handful of men who oppress them. Bush should know there is no future in the latter.

Further Reportage on 'Goddess of Democracy'

Submarine Sighting 'Confirmed'

HK1205011190 Hong Kong SOUTH CHINA
MORNING POST in English 12 May 90 pp 1, 8

[By David Chen]

[Text] China yesterday confirmed that one of its submarines had been tailing the radio ship, the "Goddess of Democracy," as the ship made the final leg of its journey to Taiwan.

The submarine was spotted by Taiwanese patrol vessels in waters near the southern tip of the island late on Wednesday, but when a fighter plane was sent to the area, it disappeared.

As nationalist military intelligence was assessing the situation, China's Vice-Premier, Mr Wu Xueqian, admitted to a group of visiting Taiwan legislators that the submarine was Chinese and that it had been sent to check on the boat.

"The ship is engaged in subversive activities against China," he told them, "and Taiwan should not give it any support".

Mr Wu stressed that the appearance of the submarine was not meant to increase tension in the Taiwan Strait.

But he said the activities of the democracy ship would be detrimental to the exchanges between the two sides across the Strait.

Meanwhile, in Taiwan, the Defence Minister, Mr Hau Pei-tsun, who is to succeed Mr Lee Huan as Prime Minister, expressed confidence that the democracy ship's activities would not lead to rising tension between the two sides.

But he said the military would protect the ship if it came under attack within Taiwan's "defence zone".

Earlier, officials at the northern port of Keelung granted permission for the ship to dock to take on provisions before heading for international waters to begin broadcasting. The vessel is expected to arrive in port tomorrow.

But the Communications Minister, Mr Chang Chien-pang, said the ship would not be allowed back if it made unauthorized broadcasts violating international law.

Pascal Dupont, a journalist for the French news magazine ACTUEL, said Mr Chang's announcement came as a "big surprise" and could force the ship to drop the project.

"We came with a peaceful purpose," Dupont said. "We are legal and moral".

He said organisers "do not agree with the Taiwan Government's position but we respect it. We will try to convince the Government of our peaceful purpose and make it soften the position."

Dupont said the ship would have to take on provisions after a planned three-week broadcast mission.

There are few other viable ports in the region, since Hong Kong has already ruled out allowing the vessel to dock.

Harbor Spokesman on Ship

OW1205134490 Taipei Domestic Service in Mandarin
2300 GMT 11 May 90

[From the "National Hookup" program]

[Text] (Chiang Lung), spokesman of the Keelung Harbor Bureau, said on 12 May that the agent company for the radio ship Goddess of Democracy is expected to submit a formal application at noon on 12 May for providing supplies to the ship when it enters the port on the morning of 13 May. As to the duration of the ship's stay in the Keelung Port, her next destination, and the number of crew members on board, (Chiang Lung) said that such details will be available only after the above-mentioned formal application concerning the Goddess of Democracy has been received.

The agent shipping company said that it hopes to get its application approved before noon on 12 May so that the Goddess of Democracy will be able to enter the port within 24 hours as stipulated. The ship will not anchor at the dock and supplies will be transmitted by (?pontoons) according to the preliminary plan.

The Goddess of Democracy is expected to stay at the port for three days.

Harbor Stay Extended

OW1405181890 Taipei CNA in English
1505 GMT 14 May 90

[Text] Keelung, Northern Taiwan, May 11 (CNA)—The "Goddess of Democracy" radio ship will extend its stay

in Keelung harbour because the supplying of the ship has not been finished, the Shine Ford Shipping and Trader Company said Monday.

The ship, now docked in Keelung, took on 11 metric tons of water Sunday but it was still waiting the supply of another 100 metric tons of water, 50 metric tons of fuel, and about 500 kilogram of food, the shipping agency said.

The shipping agency did not give any reasons for the slow supply work. It said, however, that the resupplying might be finished before Thursday.

The Keelung port authorities said the radio ship could file an application to extend its stay at the Keelung harbor.

Taiwan 'Reluctant' To Derail Ties

OW1205154990 Taipei CNA in English
1437 GMT 12 May 90

[Commentary by the Voice of Free China (Broadcasting Corporation of China): "Peking Steps Up Pressure on Goddess of Democracy"—"it does not reflect the opinion of CNA"]

[Text] As the Goddess of Democracy, the mainland Chinese dissident ship, nears the northern port of Keelung on Taiwan, the Chinese Communist regime is apparently turning up the heat in preparation for a showdown with the ship.

On Friday, military officials of the Republic of China on Taiwan reported that a Chinese Communist submarine came too close for comfort in waters off southern Taiwan. Taipei suspected, and Peking later confirmed, that the sub was sent to trail the Goddess of Democracy. It was also sent as a warning for Taiwan not to support the ship.

The Goddess of Democracy is preparing to broadcast pro-democracy programs into mainland China from international waters. It plans to dock in Keelung to pick up supplies, before heading out into open international seas. The ship is sponsored by the French magazine ACTUEL, and the Paris-based Federation for Democracy in China, a worldwide mainland Chinese dissident organization. The former scientific trawler is manned by a French crew, with at last ten foreign reporters on board.

Peking has warned that it will stop the ship if it tries to carry out its mission of broadcasting from international waters. International agreements prohibit such short-wave broadcasts. The appearance of the Chinese Communist sub off Taiwan's coast is the clearest sign yet that Peking means business about blocking the ship.

Officials in Taipei have said that the Goddess of Democracy is welcome to dock at Keelung as a merchant ship. If, however, it goes on to make illegal broadcasts to the mainland, then tries to return to port in Taiwan, it will

be refused permission to dock. Taipei has signed the international agreements that outlaw such broadcasts. That was the official line from Taipei, which must take into consideration Peking's threats. When asked what Taipei will do to protect the ship, Defense Minister Hau Pei-tsun said the ROC military is prepared to defend it Taiwan's waters, but not beyond them. In recent months, Taipei has moved in a zig way to liberalize and increase channels of people-to-people exchange with the mainland. The effort has led to greatly reduced tensions in the Taiwan Strait, and has enabled Taipei to begin wielding important economic influence in mainland affairs. Thus officials in Taipei are reluctant to see this effort derailed by Peking's negative reactions to the Goddess of Democracy. Taipei has had to walk the thin line of veiled support for the ship, while having a vested interest in maintaining the pace of increasing unofficial contacts with the Chinese mainland. Despite Taipei's reasonable handling of this affair, the Goddess still appears headed for a showdown with Peking. Now it is up to Peking to handle the matter prudently.

Reaction to PRC Criticism

HK1505042090 Hong Kong MING PAO in Chinese
15 May 90 p 53

[Report: "Shao Yu-ming Reacts to Beijing's Criticism"]

[Text] According to news from Taipei, Shao Yu-ming, director of the Taiwan Press Bureau, said yesterday that it is reasonable for the Taiwan authorities to allow the "Goddess of Democracy" broadcasting boat to berth and take on supplies. The question of supporting the boat's broadcasting activities does not exist.

In response to the severe criticism by Beijing's official XINHUA NEWS AGENCY, Shao Yu-ming said yesterday that the accusation by XINHUA NEWS AGENCY is not correct. He reiterated that Taiwan has allowed the boat to berth in light of international law and Taiwan law.

The XINHUA NEWS AGENCY the other day cited remarks by a relevant figure in Beijing, saying that the Taiwan authorities have allowed the "Goddess of Democracy" to take on supplies in Keelung. This once again shows that the boat plans to illegally carry out subversive activities against the Chinese Government under the instigation and support of the Taiwan authorities.

Shao said: "Our government has not given any support to this boat. We allow the boat to take on supplies as we do the boats of other countries; there is no exception or preferential treatment."

Shao continued that the Taiwan Government cannot stop the Taiwan people from showing their concern over the boat. The Beijing Government should respect this "legal, fair, and reasonable" practice.

Hao Po-chun, defense minister of Taiwan, also mentioned the "Goddess of Democracy" yesterday. He reiterated that the Taiwan Army is not responsible for escorting the boat and will never do so.

If the "Goddess of Democracy" broadcasts on the high seas, Hao said, the Taiwan Government will handle the matter in light of international law.

Regarding the question whether Beijing will arrest the crew members on the high seas, Hao replied: "I don't think they will do so."

The "Goddess of Democracy" had planned to leave Keelung yesterday. As the boat has not yet completed the work of taking on supplies, the time of departure has been postponed to 0900 tomorrow morning.

Now the boat is still berthed at Keelung Port. There are marine police boats patrolling nearby, prohibiting boats other than those offering supplies to get close to the "Goddess of Democracy."

Chiang Lung, secretary to the director of the Keelung Port Office, said that the port offered 11 tons of fresh water to the boat the day before. Yesterday, the "Goddess of Democracy" again applied for 100 tons of fresh water. Now the relevant personnel of the shipping company and the port office are engaged in the work of supplying fuel, water, and food to the boat.

If the boat asks for a supply of telecommunications equipment, Chiang Lung said, except for contraband goods or materials to be declared to the customs for examination and duties, any telecommunications equipment that is necessary for safe navigation can be supplied to the boat.

It has been disclosed that the boat's application to employ three Chinese radio announcers has been rejected by a relevant unit of the port area. It is said that radio equipment has been secretly loaded on board. However, the Hsiang Ho Company, a shipping agent, and the Rung Yuan Company, a unit responsible for customs, have denied the news.

According to relevant personnel of the port area, a crew member who intended to employ Chinese radio announcers from Taiwan authorized an agency to carry out the work. When a relevant unit of the Kuomintang Central Committee was informed of the news, however, the port area was instructed to reject the application for security reasons.

According to another piece of news, relevant units of the Taiwan authorities instructed the responsible person of a nongovernmental group to persuade the "Goddess of Democracy" to stop its broadcasting activities before going too far.

Because of expenses, the news said, the "Goddess of Democracy" may encounter some difficulties. However, the boat has already attracted world attention and achieved some of its hoped-for results upon its arrival in

Taiwan. Hence, relevant units expect the Boat for China Project to stop before going too far.

Nicolas, vice president of the Boat for China Project, said that the boat requires \$800,000. If donations collected are not enough, it is likely that the "Goddess of Democracy" will be sold to anyone willing to pay a high price. Air tickets will be purchased with the funds obtained to let the crew members return to France.

U.S. Urged Against Exerting Pressure in Talks

*OW1205045590 Taipei CNA in English
0254 GMT 12 May 90*

[Text] Taipei, May 12 (CNA)—A high-ranking official of the Republic of China [ROC] said Friday that American trade negotiators should not go too far in attempting to exact hard terms during beef trade consultations scheduled to open in Washington, D.C. later this month.

Lin Shiang-neng, vice chairman of the Council of Agriculture, said that in recent trade consultations American negotiators had threatened to take retaliatory measures according to the Section 301 of the U.S. Trade Act, if the ROC would not lower import duties on low-grade American beef from 36 New Taiwan Dollars to 23.8 New Taiwan Dollars per kilogram, the tariff on higher-grade beef.

Lin said ROC negotiators would not be in a position to make concessions in this regard during the forth-coming trade consultations, because the government had to treat all trading partners on an equal basis.

He said American negotiators should not put further pressures on the ROC during trade negotiations, because the United States is enjoying an increasing surplus in agricultural trade with this country.

Meanwhile, another Council of Agriculture official said Friday that Australian trade officials were paying close attention to the upcoming trade consultations between Washington and Taipei.

The Australian officials had threatened that if the ROC made unilateral concessions in its beef trade with the United States, Australia, a major Taiwan beef supplier, would lift its self-imposed export quota and increase its beef exports to Taiwan.

Conference Views Economic Stimulation Strategy

*OW1405044590 Taipei CNA in English
0342 GMT 14 May 90*

[Text] Taipei, May 14 (CNA)—A large-scale conference sponsored by the government opened last Saturday to formulate strategies of stimulating the Republic of

China's economy, which has slowed down because of declined investment willingness and other problems.

Premier Li Huan, now head of the caretaker government after he and the cabinet resigned en masse Thursday, said in the opening address that during his one-year term he had spared no efforts in improving the country's investment environment, increasing public investment and solving various challenging economic issues.

The government's efforts had borne results in accelerating economic and financial liberalization, cracking down on economic crimes, stabilizing prices and achieving continued export growth, he told the conference, attended by some 60 leading figures from the government, the manufacturing sector and the academic circles.

He added, however, that more had to be done to prop up the slowing economy troubled by declining investment willingness, sluggish export growth and other problems that might prevent the country's economic boom from lasting longer.

Fredrick Chien, chairman of the cabinet Council for Economic Planning and Development, stressed in a report to the meeting that the most urgent task of the government was to expand public investment and to privatize government enterprises in order to stimulate growth.

Economics Minister Chen Li-an said his ministry would try to improve the country's investment environment by clearing away stumbling blocks harassing investors, by increasing incentives and helping small- and medium-sized businesses make loans.

Finance Minister Mrs. Shirley Kuo pledged to heighten taxation efficiency and to consolidate a sound taxation environment in the hope of expanding government revenues to finance public construction projects for future economic development.

Samual Shieh, governor of the Central Bank of China, pointed out that the value of the New Taiwan dollar had reached its "appropriate level" and there was no need for the currency to depreciate.

He also warned of the record high current deficit of \$1.9 billion registered in the first quarter of this year, saying his bank would strengthen the monitoring of capital outflows.

Many scholars and industrialists present at the meeting called for a more open economic policy toward the China mainland, but most of them also urged cautions in developing economic and trade relations with the other side of the Taiwan Strait.

Kao Hsi-chun, a renowned economics professor, suggested that the ruling Kuomintang take the lead in

making investment on the mainland to demonstrate Taiwan's economic strength.

Hsu Sheng-fa, president of the Chinese National Federation of Industries, said that Taipei should adjust its economic policy to the mainland timely to cope with the world's new situation around the turn of the century.

Prof. Hou Chia-chu of the private Soochow University urged the government to consider allowing mainland laborers to work in Taiwan in order to solve the island's increasingly serious labor shortage problem.

Several other participants, however, questioned the wisdom of local businessmen's enthusiasm for mainland investment, saying it was a particularly bad time for Taiwan enterprises to invest there when many foreign investors were slowing their paces in mainland investment because of Peking's cruel crackdown on the mainland democracy movement last year.

Measures Adopted To Facilitate Mainland Trade

*OW1405053090 Taipei Domestic Service in Mandarin
2300 GMT 4 May 90*

[Text] The gist of measures governing the sending of business representatives from Taiwan to the mainland on fact-finding trips and participation in exhibitions took effect on 5 May, after being approved by the Executive Yuan and relayed to the relevant units by the Board of Foreign Trade [BOFT] under the Ministry of Economic Affairs.

According to BOFT, the gist was adopted to meet the urgent needs of local businessmen who have difficulty obtaining information on the mainland market under the current situation, before the interim regulations governing the people-to-people relations between Taiwan and the mainland are enacted, promulgated, and implemented.

Hong Kong

Patriotic Movement To Finance Democracy Ship

HK1405020990 Hong Kong SOUTH CHINA
MORNING POST in English 14 May 90 p 2

[Text] The Hong Kong Alliance In Support of the Patriotic Democratic Movement in China will use \$50,000 to raise funds for the radio ship "Goddess of Democracy," spokesman Mr Cheung Man-kong, said yesterday.

The alliance will place advertisements in newspapers and magazines and produce 2,000 T-shirts to attract donations for the ship.

Defending the rejection of an application for a donation of nearly \$10 million for the ship, Mr Cheung said: "We do not judge the value of a particular programme by the news coverage it has attracted."

Mr Cheung explained that alliance, despite its \$16 million reserve, would not be able to grant such a large donation with its present commitments.

He said the alliance was paying \$3 million a year to support political dissidents in exile.

"The alliance will go bankrupt if we allow the ship's application," Mr Cheung said.

In a thinly-veiled message to the Federation of Democracy in China, Mr Cheung said leaders of overseas pro-democracy groups "should do something constructive, instead of travelling around the world making grand speeches".

Editorial Views Dissident Release

HK1305025890 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 13 May 90 p 14

[Editorial: "Dissident Release Ray of Hope for China"]

[Text] The Chinese Government is bracing itself for the anniversary of the Tiananmen Square incident by starting to present to the world a more moderate face. The release of 221 dissidents last week was the latest conciliatory gesture from Beijing to both foreign critics and domestic pressure to relax its iron grip on the country. The freeing of the 221, coupled with the January pardon for 537 political prisoners, the recent admission that torture has been used in jails and the lifting of martial law in Tibet have all dove-tailed to prove that China is today stable and that its government is confident. The concessions are also timed to defuse enthusiasm in the United States for the suspension of China's most favoured nation trade status and are a tacit admission that the orthodox line adopted since June has been excessive.

Long after the repercussions from June 4 have eased and the purges ended, the Chinese Government has continued to wrestle with the event's legacy and with the

struggle for ideological supremacy between the leftists and pragmatists. The disgrace of former party general secretary, Mr Zhao Ziyang, and his closest associates has not swung the Government entirely to central planning, though stringent measures have been adopted to drive inflation down from 20 percent a year to a manageable eight percent. The titanic feud between party patriarch, Mr Deng Xiaoping, who favours economic reforms, and the ailing ideologue, Mr Chen Yun, who champions state control, persists as the former seeks to influence policies through his protege, party General Secretary, Mr Jiang Zemin, while the latter through the premier, Mr Li Peng.

The contest would have been settled decisively in favour of the central planners had it not been for economic hardship throughout China as consumer spending plunges and goods are left on shelves and also for the revolution in Eastern Europe.

Despite frequent condemnations of Mr Zhao's free market zeal, Beijing has not seriously curtailed business and trade in the special economic zones while prosperous coastal provinces such as Guangdong and Fujian appear to have survived. Mr Jiang has spared no efforts in telling foreign visitors, especially those from Hong Kong, that China will forge ahead with reforms and that investors should set their hearts at ease.

Promises alone are not enough to convince the West that, aside from the June aberration, China remains an attractive recipient of investment. Very little new money, aside from Hong Kong and Taiwan, has gone into China since June, a problem compounded by the absence of tourists, who used to bring in precious foreign currency. Mr Jiang's public relations campaign has been hampered by the strident rhetoric and threats from the more doctrinaire officials. Where words fail, action is needed.

But the more benign image being projected cannot mask the other face of the Chinese Government. Any sign of protest against the leadership is quickly suppressed and Tiananmen Square remains a forbidding place, despite the end of martial law and a less visible security presence. The amnesty for the few hundred dissidents still leaves between 10,000 to 30,000 others languishing in jail and trials in China are a closed affair, except in cases where the Government desires maximum publicity. The police surveillance of major university campuses has not slackened and some students are still required to take part in compulsory military training.

The stop to foreign opinion seems the farthest that the Government is willing to concede because, superficial appearance to the contrary, the leadership seems to have no clear strategy on the future. As Eastern European countries democratise and appeal for Western assistance and investment, the attractions of China dull correspondingly. The sudden fall of communism in much of Eastern Europe, though not likely in China where the state apparatus is far stronger and the military is reliable, is not reassuring to the Beijing Government. A China

kept in perpetual isolation is no longer possible but one which is thrust into the current of change will be anathema for the leadership. The only option is for it to walk a very narrow path of political control and certain economic flexibility.

Gone are the vision and the hope before the June incident when it seemed tantalisingly plausible for China to undergo the kind of dramatic and—except for Romania—peaceful transformation to a pluralist or at least a less oppressed society. But even in the bleakest time the government was not capable of turning back to the days before Mr Deng opened China's doors and irrevocably changed the country, of which the student uprising was one of the results. As China embarks closer to an era without the guidance of Mr Deng and Mr Chen, rivals and Long March veterans both, it has to take stock of the destiny of socialism.

The release of the dissidents may win kudos overseas and give relief in Hong Kong. But ironically, as the political threat fades, the economic one rises with the country in a steep recession. China may find it easier to re-enter the international fold than to persuade its people to live with an austere economic regimen. They have tasted the better life.

Rise in Mainland Overstayers Reported

HK1405020390 Hong Kong HONGKONG STANDARD
in English 14 May 90 p 1

[By Leung Sze-man]

[Text] A dramatic surge in the number of mainlanders overstaying on two-way permits has prompted tighter monitoring by the Government.

The Hong Kong Government will also raise the issue with China.

Observers fear that an ever-increasing "underground population" will pose security problems or social problems, as many of the overstayers are desperate for financial or political assistance.

Immigration Department figures reveal that 4,547 two-way permit-holders overstayed last year, more than four times the number the previous year.

The trend continued in the first quarter this year, when 2,195 two-way permit-holders overstayed.

The figures also show that an increasing number of the overstayers are being caught working illegally in the territory.

By the end of last year, 2,700 cases of overstayers were still under investigation.

The Government has ruled out an amnesty for overstayers, who can face fines of \$5,000 and imprisonment for one year.

Stephen Yau, director of the social agency International Social Service, said more illegal immigrants and overstayers had been requesting help in their efforts to stay in the territory.

"It appears that many are desperate, either for financial or political reasons. But there is little we could do to help," Mr Yau said.

Immigration Department spokesman Stephen Chan said the upward trend may be temporary.

"A close monitoring will be maintained," Mr Chan said.

"If the trend persists, the Government will reflect the situation to the Chinese authority so as to ensure the smooth running of the scheme."

He said the Chinese authorities were responsible for issuing two-way permits and the Hong Kong Government was not in a position to tighten control over the operation of the scheme.

The Chinese government has been issuing an increasing number of two-way permits over the years.

The number of permits issued last year was more than 20,000 up on the previous year.

Chinese officials have said that the quota for entry permits and other visas to Hong Kong would be tightened after Beijing regains sovereignty over the territory in 1997.

Observers say the increasing number of overstayers reflects the inadequacy of the present quota of 27,500 mainlanders allowed one-way permits to Hong Kong each year.

Hundreds of thousands of Chinese are waiting to settle here under this scheme, which began in 1982.

They face a waiting period of 10 years or more.

Observers said many were desperate to leave and were forced to seek other ways to settle here.

But both the Chinese authority and the Hong Kong Government are firm that the quota will not be increased.

More than 99 per cent of the overstayers holding two-way permits came to the territory as individuals as opposed to group tourists, who have little chance of staying on after their visit is over.

But even among group tourists, the number of overstayers rose almost three-fold to 41 last year.

Two-way permits for individuals, issued by the Chinese authorities, entitle holders to stay in Hong Kong for three months.

More than one million people have come to Hong Kong under the scheme since it began in 1982.

Japanese Consul Pledges To Strengthen Trade Ties

HK1205032590 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
12 May 90 p 3

[By Sondra Wudunn]

[Text] Japan will make every effort to improve its economic relations with Hong Kong, which will be the centre of the world's future economic growth, says the new Japanese consul-general.

Mr Minoru Kubota said yesterday the territory was well located to serve as the centre of the region, given its superior manpower, good economic infrastructure and free-trade policies.

"Hong Kong is one of the most important areas in the whole of Asia-Pacific and has a very large potential," he said.

"We will encourage Japanese business here to help increase confidence."

Although China is a very important market, Mr Kubota said Hong Kong placed too much emphasis on its economic relationship with the mainland rather than the rest of Asia.

"Up until now whenever we've talked about the future of Hong Kong, be it positively or negatively, we have been putting too much emphasis on its relationship with China," he said.

"In fact, we should not forget that Hong Kong is located in the heart of Asia-Pacific and that the region itself has a very high potential. We should recognise that Hong Kong has enough resources to accelerate the economic development of this region.

"It will be very difficult to find a country or region which can replace Hong Kong and the role it should play in the future."

Mr Kubota also welcomed the news of the release of 211 Chinese pro-democracy dissidents, but said Japan would wait longer before making any further loans to Beijing.

"I think everybody in the world has been expecting China to advance in that direction, and I think it's good news," he said. "It gives a good impression to the outside world. But we're now still waiting for further developments."

Mr Kubota said Japan would support Hong Kong to help further enhance the economic relationship between the two places. As the territory's economy had grown mainly through export-oriented industrialisation, the Japanese Government would apply certain measures beneficial to Hong Kong's prosperity.

Mr Kubota said his government would continue to support free-trade principles embodied in the General Agreement on Tariffs and Trade (GATT) and make

efforts to ensure the success of the Uruguay Round of negotiations, which end in December.

Mr Kubota acknowledged there was concern over Japan's tariff levels and restricted item imports. However, he pointed out that the country, as agreed in the recent structural impediments initiative with U.S., would step up efforts to encourage foreign participation in Japan's market.

Moreover, he said direct investment and technology transfer would play key roles in the bilateral relationship with Hong Kong, as well as assist in the territory's stability.

"Of course, direct investment and technology transfer are something that should be decided by the will of the private sectors," Mr Kubota said.

"But we intend to adopt various measures which will enable business to carry out direct investment smoothly."

According to local government figures, Hong Kong's total exports to Japan amounted to HK\$35.3 billion [Hong Kong dollars] last year, while imports from Japan totalled \$93.2 billion.

Since the Plaza Accord in September 1985, Mr Kubota said total domestic exports to Japan had grown at an average of 37.2 percent a year, while re-exports were up an average of 41.9 percent and imports an average of 15 percent a year.

Japan's direct investment in Hong Kong in 1988 was U.S.\$1.66 billion. By the first half of last year it had reached U.S.\$940 million.

While Indonesia accounts for Japan's biggest accumulated investments in Asia overall, Hong Kong was the top area in the latter half of the 1980s, Mr Kubota said.

Macao**Two Chinese Basic Law Drafters To Resign**

HK1205021390 Hong Kong HONGKONG STANDARD
in English 12 May 90 p 5

[By Harald Bruning in Macao]

[Text] Two top Chinese diplomats are expected to quit their posts in the Macao Basic Law Drafting Committee [BLDC] next month, informed sources have said.

They are the top China representatives in Hong Kong, director of the XINHUA News Agency here Zhou Nan, and the Chinese team leader of the Sino-British Joint Liaison Group, Guo Fengmin.

Both are expected to tender their resignations from their Macao posts during the committee's forthcoming 4th plenary session in Beijing from June 7 to 9.

Tight work schedules of the two Chinese representatives in Hong Kong were cited as the reason for the move.

The intended resignations were confirmed by the vice-chairman of the Macao Basic Law Drafting Committee Edmund Ho, who said it was "logical" for them to resign from the Macao BLDC because of their political commitments in Hong Kong. Mr Ho disclosed a plenary meeting of the 48-member committee in Beijing would discuss the possible replacement of the two vacancies.

Several Macao Basic Law drafters, who asked not to be named, said it was "natural" that both Chinese diplomats were willing to resign from the Macao BLDC because, since early this year, they have been holding the two most sensitive posts regarding Hong Kong and that it was therefore not advisable to be connected to political developments in Macao.

"There could be conflicts of interest concerning Hong Kong and Macao," said one Macao drafter.

Both Mr Zhou and Mr Guo became members of the the Macao BLDC in 1988.

At that time, Mr Zhou was a vice-minister of the Chinese Foreign Ministry while Mr Guo was director of the Chinese Foreign Ministry's Hong Kong and Macao Affairs Office.

Chiu lu-nang, a drafter in the Portuguese enclave, said: "The resignation of Mr Zhou Nan will be a loss for Macao because he was very much involved with events here, but we have to accept that he is concentrating his efforts now on Hong Kong."

But one member of the BLDC in Macao said: "I think they (are to resign) because it would be difficult for them to explain to Hong Kong the reasons why the Macao Basic Law will finally be less tight than the Hong Kong one."

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16 May 1990

